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FEBRUARY 19, 1955

# foreign trade









2	Canada's Trade in 1954
5	Headlamps for Night Driving
6	FOA and Its Procurement Policies
9	Canadian Bulls for Spanish Farms
10	Commodity Notes
12	Denmark Studies Trade Problems
14	Business in Panama—from a Canadian Viewpoint
16	Plywood Tea Chests for Indonesia
17	Trading with the Argentine
18	Sports Boats for the South
19	General Notes
20	Banking Abroad: Malaya
21	Credit Conditions in Asia and the Middle East
23	India Sells More Manganese
25	West Germany Revises Export Incentives
27	Trade and Tariff Regulations
29	Foreign Trade Service Abroad
34	Foreign Exchange Rates
36	Transportation Notes

# foreign trade

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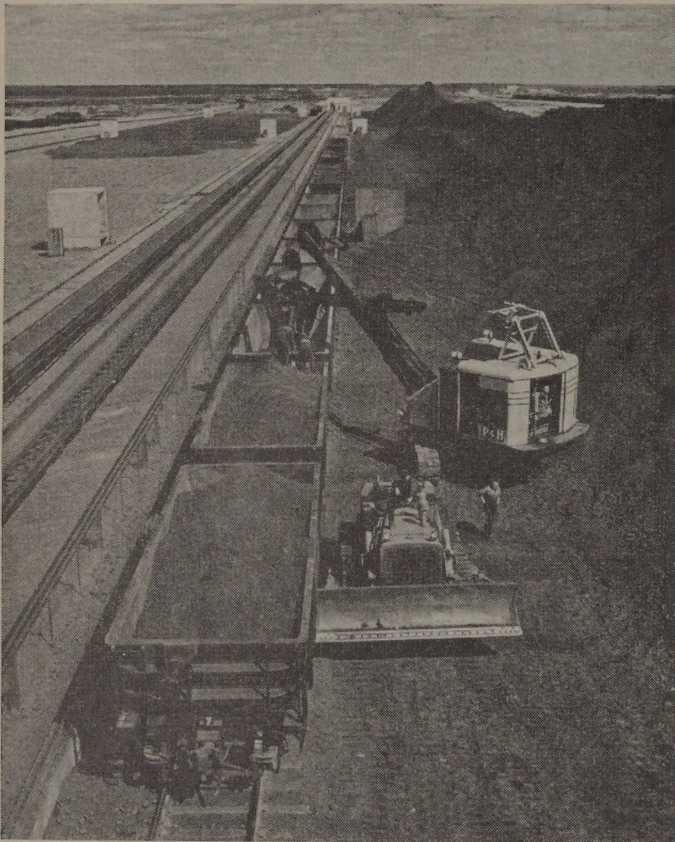
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**COVER** Among the significant trade developments in 1954 was the initial shipment of aluminum ingots from the Aluminum Company's great B.C. development. Here ingots are piled ready for loading on the S.S. *Capestar* at Kitimat. For a review of other aspects of Canada's trade during the past year, turn to page two.





—George Hunter

*Crushed iron ore from the Labrador mines is moved on freight cars over a specially built railway to the dock at Seven Islands, Quebec, where it is loaded onto waiting ships.*

# Canada's Trade in 1954

*Figures for year reveal that Canada ranked fourth among nations in value of trade in 1954, despite decline from 1953 level.*

L. A. SHACKLETON,  
*Balance of Payments Section,  
Dominion Bureau of Statistics.*

IN 1954, for the first time since the war, Canada's commodity trade was moderately lower in value than in the preceding year. The decline in imports was somewhat more pronounced than that in exports, and the import balance on commodity trade consequently was considerably lower than in 1953. The forces responsible for the lower level of trade also differed sharply as between exports and imports. But in spite of their lower annual level, the general trend of both exports and imports for most of the year was gradually upward.

The decline in exports was concentrated in a relatively small number of commodities which have been influenced by highly unusual conditions in world markets in recent years. Most important of these were wheat and coarse grains. In 1950 and 1951 grain crops in many important importing countries were inadequate, and supplies available in some competing exporting countries were also below normal, at a time when Canadian crops were excellent. As a result, world trade in grains was much greater than usual from 1951 until well into 1953 and Canada's share of this trade was also abnormally large. After the return to more normal supply conditions in overseas countries in 1952 and 1953 the level of trade in grains fell sharply and Canada's share in it was also reduced. Between 1953 and 1954 Canadian exports of grains and of wheat flour declined by almost \$295 million, an amount greater than the decline in total exports between these two years.

The decline in imports, unlike that in exports, was general and affected most of the important commodities which Canada normally purchases. The moderately lower level of business activity here reduced requirements for both industrial materials and many finished goods, and in addition efforts were made to lower inventories of some commodities, notably textiles. Poor weather in the first half-year hampered construction and cut down demand for some equipment and materials, and the cut in farmers' incomes which accompanied the drop in grain exports severely affected the demand for agricultural implements. However, personal incomes in Canada remained at a high level during the year and this fact, together with the limited extent of the decline in production, prevented a major drop in commodity purchases. The volume of imports in 1954 remained greater than in any year before 1953.

Another contrast between export and import behaviour was in the trend of prices in these fields. It will be remembered that import prices fell very sharply from the peak reached in 1951 but this decline was largely complete by mid-1952 and since then import prices have shown relatively little change. Export prices increased more moderately at the time of the Korean war and their subsequent adjustment has also been much slower. Their continued decline was responsible



## Summary Statistics of Canadian Trade

	Calendar Year		Change, 1953	
	1952	1953	1954	to 1954
Value of trade:	\$'000,000		%	
Total exports .....	4,356	4,173	3,942	-5.5
Imports .....	4,030	4,383	4,095*	-6.6
Trade balance .....	+ 325	- 210	- 153*	.....
	1948=100			

Price indexes:				
Exports .....	121.8	118.3	115.5*	-2.4
Imports .....	110.4	109.4	109.7†	+0.3
Terms of trade .....	110.3	108.1	105.3†	-2.6

NOTE: A change in import coding procedure in June, 1954, increased the value of imports recorded in the year by an estimated \$40 million or more, and the trade balance by a similar amount.

\* Preliminary.

† Estimated.

for almost half of the decrease in the *value* of exports in 1954; the *volume* fell by only a little more than 3 per cent in all, about half the drop shown by import volume.

In evaluating the trade totals for 1954 it must also be remembered that the change in import coding procedures which became effective in June 1954 had the effect of increasing the length of that month, and therefore of the import year, by about two working days. It is estimated that this change increased the value of imports coded in June and in the year by not less than \$40 million. The published statistics therefore understate the real decrease in imports and in the trade balance by approximately this amount.

### Contrasting Movements in Trade

There has been some contrast between movements in the totals of world trade over the past three years and those shown by Canadian trade. World trade reached a record value in 1951, when prices of many commodities were extraordinarily high. In 1952 and 1953 the collapse of many commodity prices, together with softening in the domestic economies of many overseas countries, led to a decline in the value of world trade.

But in 1954 most overseas economies had recovered from the aftermath of the Korean war boom and world trade recovered considerably in value though it remained below the record figure of 1951.

Canadian trade continued to grow in 1952 and most of 1953 while world trade was declining and turned downwards only at the end of 1953. The foreign trade of the United States also showed little decline until 1954. The same was true of economic conditions in these two countries: they remained prosperous throughout 1952 and most of 1953 but encountered mild setbacks in the latter part of 1953 and in 1954.

In spite of these contrasting trends, Canada ranked fourth among the nations in value of trade in 1954. The United States and the United Kingdom remained the principal nations in world trade and the Federal Republic of Germany, whose trade has been recovering rapidly since 1950, ranked third. Canada last ranked fourth in world trade in 1951, when her trade showed a more moderate increase than that of most other countries. In that year France's trade exceeded that of Canada, but in 1954 the trade of France appears to have remained considerably below its earlier peak.

### Direction of Trade Unchanged

The distribution of Canadian trade in 1954 corresponded fairly closely to its distribution in 1953. Exports to the United States and the United Kingdom formed a slightly larger proportion of the total than in the preceding year—in fact, the value of United States purchases from Canada showed less decline than did total United States imports. Sales to Europe, the Commonwealth and other countries in Asia and the Middle East formed a somewhat smaller proportion. The reverse was true of imports: those from the United States and the United Kingdom showed the greatest decline and those from all other countries increased in total value. These changes generally tended to reduce the bilateral imbalance of Canada's trade in 1954.

### Direction of Canadian Trade

	1952	1953	1954	1952	1953	1954
	Value in \$'000,000			% of total		
Total exports to:						
United States .....	2,349	2,463	2,363	53.9	59.0	59.9
United Kingdom .....	751	669	658	17.3	16.0	16.7
Other Commonwealth and Ireland .....	288	248	205	6.6	6.0	5.2
Other Europe .....	476	373	346	10.9	8.9	8.8
Latin America .....	273	199	188	6.3	4.8	4.8
Others .....	219	221	182	5.0	5.3	4.6
Total imports from:						
United States .....	2,977	3,221	2,718*	73.9	73.5	72.4*
United Kingdom .....	360	453	359*	8.9	10.3	9.5*
Other Commonwealth and Ireland .....	185	171	174*	4.6	3.9	4.6*
Other Europe .....	151	173	164*	3.8	4.0	4.4*
Latin America .....	284	290	258*	7.0	6.6	6.9*
Others .....	73	74	83*	1.8	1.7	2.2*

\* January-November 1954 only.



## Leading Commodities in Canada's Trade

DOMESTIC EXPORTS				IMPORTS			
Commodity	Calendar Year			Commodity	January-November		
	1952	1953	1954		1952	1953	1954
	\$'000,000				\$'000,000		
Newsprint .....	592	619	636	Machinery (non-farm) .....	330	365	351
Wheat .....	621	568	375	Petroleum, crude .....	189	192	194
Planks and boards .....	296	283	325	Electrical apparatus n.o.p. ....	125	181	186
Wood pulp .....	292	249	271	Automobile parts (except engines) ...	174	204	166
Aluminum and products .....	162	178	185	Farm implements and machinery .....	183	201	136
Nickel and products .....	151	163	182	Petroleum products n.o.p. ....	120	133	119
Grains (other than wheat) .....	235	225	137	Fruits .....	90	98	109
Copper and products .....	119	125	135	Coal .....	142	129	97
Fish and fishery products .....	113	111	130	Aircraft and parts (except engines)....	86	103	91
Wheat flour .....	116	102	88	Rolling mill products (steel) .....	133	115	90
Asbestos and products .....	88	85	84	Engines and boilers .....	127	108	84
Farm implements and machinery .....	105	74	77	Cotton products .....	74	85	70

Canada's chief trading partners in 1954 were largely the same as in 1953, although there were some changes in their relative importance. Exports to the United States, the United Kingdom and Japan, our three chief markets, declined moderately. For the United States, these declines were associated with the business readjustments in that country which affected sales of metals, and with restrictions on exports of coarse grains; for the United Kingdom, the decline reflected chiefly lower grain requirements; for Japan, shipments of industrial materials were lower, although purchases of grain increased. A sharp drop in exports to Belgium reflected smaller demand for Canadian grains and a change in Belgian trade policy designed to encourage the domestic assembly of motor vehicles. Wheat and automobiles were also chiefly responsible for the drop in exports to the Union of South Africa. But sales to several of Canada's leading export markets increased, with those to Brazil showing an especially pronounced recovery from the severely restricted level of 1953.

The sharpest rise in imports from any of Canada's leading trading partners was in purchases from the Federal Republic of Germany. Motor vehicles, cement, and a wide variety of manufactured goods contributed to this. Japan also increased sales to Canada after the trade treaty with that country became

effective in June, although imports for the year were only about a fifth as large as exports to that country. But the general decline in Canada's imports was reflected in smaller purchases from most of the important countries with which we traded in 1954.

### Newsprint Exports Set Record

Although total commodity exports declined during the year, this decline was largely confined to grains, motor vehicles, primary iron and steel, and a few defence goods such as aircraft and electrical apparatus which normally fluctuate erratically. Exports of forest products continued to expand. Sales of newsprint paper reached the highest value ever recorded for a single commodity in a calendar year, and those of lumber and wood pulp showed moderately large gains. Exports of most base metals were also larger than in 1953. Sales to overseas markets were of greater importance for both these groups of commodities. Exports of fishery products also rose substantially in the year and sales of farm implements reversed their 1952-53 decline and increased moderately.

There were few large increases in commodity imports and these were almost solely in agricultural products. Imports of cocoa, coffee, tea and fresh fruits were all greater in value than in 1953 chiefly because of

## Leading Countries in Canada's Trade

DOMESTIC EXPORTS				IMPORTS			
Country	Calendar Year			Country	January-November		
	1952	1953	1954		1952	1953	1954
	\$'000,000				\$'000,000		
United States .....	2,307	2,419	2,313	United States .....	2,712	2,974	2,718
United Kingdom .....	746	665	653	United Kingdom .....	332	415	359
Japan .....	103	119	96	Venezuela .....	124	143	152
Germany, Federal Republic .....	95	84	87	Germany, Federal Republic .....	21	33	41
Belgium and Luxembourg .....	104	69	55	Brazil .....	33	30	28
Australia .....	50	40	46	India .....	26	25	27
Brazil .....	81	38	45	Belgium and Luxembourg .....	32	27	24
Norway .....	39	37	44	Australia .....	18	22	23
Union of South Africa .....	48	51	40	Colombia .....	17	21	23
Netherlands .....	41	42	40	Netherlands .....	15	21	21
France .....	48	32	34	France .....	18	20	20
Venezuela .....	36	36	31	British Guiana .....	22	16	19



higher prices, but the high level of personal incomes in Canada prevented these higher prices from seriously restricting demand. Among the sharper decreases were the drop in farm implement imports already referred to and substantial cuts in purchases of coal, automobile parts and textiles. Demand for coal continued to fall as oil was substituted as a domestic and industrial fuel, a lower automobile output reduced the need for parts, and the textile market in Canada was weak for most of 1954 because of heavy inventories and some decline in demand for clothing, furniture and other textile-using products.

### **Increase Checked in Fourth Quarter**

As we noted earlier the trend of trade was upwards for most of 1954 even though the value for the year was moderately lower than in 1953. Canada's trade dropped very sharply in the fourth quarter of 1953, with exports reaching their lowest recent seasonally-adjusted level in this quarter and the first quarter of 1954; imports reached their low in the latter quarter. In the second and third quarter of 1954 the annual rate of exports and imports improved moderately. In the fourth quarter, however, imports stabilized and exports showed much less than their usual seasonal increase, although they remained above the seasonally-adjusted level of the first and second quarters of 1954.

This check to the upward trend in exports was not due to entirely new developments, but to forces affecting the same commodities responsible for depressing the level of exports throughout the year. Exports of grains were extremely low as a result of the dock strikes in the United Kingdom and the limited market for coarse grains in the United States. Exports of motor vehicles, which were still important at the end of 1953, were negligible in the fourth quarter of 1954. These factors have now little scope to reduce the level of Canadian exports further. Since the steady growth in sales of forest products, metals and many other goods in the fourth quarter has not been reversed, it is unlikely that the downturn in exports at this time is more than an interruption in the gradual recovery of Canadian trade from the reduced values of late 1953.

### **Promising Developments**

A few developments of significance for 1955 and future years began to show in trade statistics for 1954. The first shipments of alumina were received from Jamaica for refining by Canada's expanded aluminum industry. The first shipments of Labrador iron ore left the country in the latter part of the year, and crude petroleum began to be exported on the Pacific coast. These new exports were made possible by the heavy investment program of recent years which has been so closely associated with the record level of imports since 1950. ●

## **Headlamps for Night Driving**

NEW HEADLAMPS, designed for new traffic conditions, will soon make night driving safer and easier. Completely interchangeable with present lamps, the improved seal-beam units are expected to be available on 1955 cars and trucks midway in the 1955 model year.

The improvements include the following:

- Better light distribution, especially on the lower beam, which will give as much as 80 feet more visibility along the right side of the road.
- A sharp reduction of stray light radiating upward from the lower beam filament, which will greatly improve visibility in fog, dust and similar hazards.
- More light throughout both the upper and lower beam patterns.

The new lamps are the result of four years of co-operation between motor vehicle and lamp manufacturers and United States and Canadian public officials. The program was similar to the one which preceded the introduction of the first seal-beam headlamps in 1939.

The lamps achieve better light distribution by a new lens design, plus a new shield, or cap, accurately positioned over the lower beam filament. This filament cap locks stray upward rays without interfering with the main forward beam.

A five-watt power increase to forty watts for the lower beam and fifty for the upper gives more light without exceeding the present legal limits for beam candle-power.

The need for the new headlamps arose from the rapid change in night driving conditions, particularly in North America, since the end of World War II. Highways are carrying double the number of vehicles they did in 1945. Night driving has increased even faster than rising registrations predicted. Even rural travellers must now use the lower beam frequently; city drivers depend upon it almost exclusively. Increased use of the lower beam resulted in this latest headlamp program directed primarily at stretching out lower beam seeing distances—especially along the right curve or shoulder, where obstructions or pedestrians are most likely to appear. The program was initiated in September of 1950 by the Automobile Manufacturers' Association Engineering Advisory Committee.

J. H. BAILEY,  
*Vice Consul and Assistant Trade  
Commissioner, Detroit.*



# FOA and Its Procurement Policies

*The U.S. Foreign Operations Administration, in carrying out its program, is still spending sizable sums on civilian goods. This review of procurement procedures for some 15 countries may help Canadian companies who wish to bid for some of this business.*

E. H. MAGUIRE, *Commercial Secretary, Washington.*

THAT SECTION of the Mutual Security Program administered and financed by the Foreign Operations Administration (FOA) is still sizable and a review of its procurement policies and procedures may assist Canadian firms who wish to take advantage of export opportunities.

Appropriations for economic aid in the program have been scaled down from year to year, but funds made available for this fiscal year ending June 30th, 1955, amount to \$184.5 million for development assistance, and \$413 million for defence support (which includes \$185 million for the Korean program), much of which involves civilian goods. And some past appropriations for the Mutual Security Program are still unspent. These arrears were estimated at \$7,000 million at the beginning of this fiscal year, July 1st, 1954, about one-third of which represented funds earmarked for economic aid projects.

It is therefore evident that, even if Congress makes no further economic aid grants, there will be active procurement of civilian goods for some time to come. The Mutual Security Act of 1954 calls for abolition of FOA on June 30, 1955, but at the President's discretion its function will be transferred to other agencies for liquidation over a one to two-year period. It is possible, of course, that an amendment to the Act may extend the life of FOA but, whatever happens, it is considered unlikely that procurement policies will change.

## **Sources May Be Specified**

It is still the general policy of FOA to buy from the most suitable and economical sources and, wherever possible, FOA still expects and encourages recipient countries to specify source of supply and tries to meet these preferences. There are, of course, exceptions to this policy. Coal and coke purchases are limited to the United States, and recently FOA has not accepted Canada as a source of supply for lumber and sawmill products. Legislation provides that agricultural commodities declared surplus by the United States Department of Agriculture, if bought with FOA funds, must have been grown in the United States.

Because of the soft spots that have appeared in the United States economy, there is a growing and understandable tendency to give special consideration to distressed industries there. The recent procurement of locomotives and railway cars for India is a good example of this. United States firms were awarded contracts for one-half the number of locomotives and for nearly one-half the number of railway cars, despite the fact that their bids for both these items were much higher than those submitted by foreign firms. FOA assumed the increase in cost. The tendency to favour United States suppliers will probably become more pronounced as time goes on, unless an up-turn in the economy is such that deliveries fall behind. It is interesting to note that in the 1954 fiscal year 75 per cent of Mutual Security Act funds were spent for United States goods and services, but if civilian goods only are taken into account, only 63 per cent of funds allotted for this purpose were spent in the United States. Incidentally, 25 per cent of United States total exports in fiscal 1954 were financed by FOA.

## **Opportunities for Canadians**

Canadian firms who are competitive in export markets may still expect to obtain business under FOA procurement. As proof that sales opportunities exist, Canada is still frequently listed as a source of supply on procurement authorizations. In cases where it is not included, there are usually good reasons for the omission. On occasion, however, Canada is left out through an oversight and this can be easily remedied if caught in time. If the goods can be competitively supplied from Canada and if there has been a traditional movement of these goods from Canada to the country in question, then it may be possible to have Canada included in such authorizations if the matter is brought to the attention of the FOA authorities. Sales opportunities are still most likely to present themselves to Canadian suppliers through private importers in recipient countries, through agencies set up in these countries by their government, and to some extent through general contractors on large projects—either United States or foreign firms. U.S. Operations Missions (that is, FOA offices abroad) buy only occasionally, usually in small amounts. United States govern-



ment agencies such as General Services Administration and foreign government agencies set up in the United States usually confine procurement to goods that can be acquired to best advantage there.

It is therefore essential for Canadian firms to have representatives in the recipient countries who are always in close touch with FOA programs. It may be too late to get business after a procurement authorization has been announced, for by that time the buyer has usually made his arrangements. It is necessary to create in the buyer a desire to purchase from Canada and this, in due course, may be transmitted into a request by the buyer's government that Canada be named as a source of supply.

Spain and recipient countries in the Eastern Mediterranean and Far East appear to offer Canadian suppliers the best prospects for FOA-financed business. Purchases of the more highly industrialized European countries are now pretty well limited to United States agricultural surpluses and, in some cases, coal.

### **Procurement Procedures Described**

Procurement procedures in the more active participating countries are as follows:

**SPAIN.** Purchases with economic aid funds are made by private firms and by "consorcios"—organizations representing industrial groups. Requirements for utilities and other government enterprises are procured by Spanish agencies or the enterprises concerned, such as the State Railways.

**PORTUGAL.** All FOA-financed purchases are dealt with by the government department concerned.

**GREECE.** Purchasing is carried out in several ways—mainly by private importers, but also by Greek government agencies in the United States and Greece, and United States government agencies. Outside of Greece, the Greek Foreign Trade Administration, 729 Fifteenth Street N.W., Washington, D.C., is moderately active in procurement.

**YUGOSLAVIA.** In general, purchasing is carried out by the various state trading organizations that have been set up in that country. For information concerning the state trading companies authorized or interested in receiving offers against procurement authorizations, Canadian firms should get in touch with Mr. M. Konjovic, Commercial Attaché, Embassy of Yugoslavia, 24 State Street, New York City, or with the Yugoslav Embassy, 17 Blackburn Ave., Ottawa.

**TURKEY.** Most purchases are divided between private importers and Turkish government agencies, which favour firms with representatives in Turkey. Representatives of Canadian firms in Turkey should keep in close touch with the Industrial Development Bank, Istanbul, which affords to mining companies

and manufacturers local currency credit facilities to enable them to purchase equipment from abroad financed with FOA funds.

**EGYPT.** Procurement of FOA-financed supplies is entrusted to the U.S. Operations Mission Officer in Cairo, and to General Services Administration, Washington, and on occasion to other United States government agencies.

**IRAN.** The U.S. Operations Mission in Teheran, and General Services Administration, Washington, perform a similar task.

**ISRAEL.** Most buying is done by the Israel Supply Mission, 250 West 57th St., New York 19, N.Y., while some is performed by the General Services Administration, Washington. Private importers also participate on a limited scale.

**PAKISTAN.** Purchases with economic aid funds are made by the U.S. Operations Mission in Karachi and by United States government agencies. The Pakistan Industrial Development Corporation, Aimai House, Victoria Road, Karachi 3, a government organization, supervises purchases made for the several industrial projects under its auspices. Consulting engineering firms actually handling purchases for two of these projects are: S.A. Union Chimique Belge, Division Enterprises and Construction, 61 avenue Louise, Brussels, Belgium (fertilizer factory at Daud-Khel) and International Engineering Company, 74 New Montgomery St., San Francisco, California. (Karnafuli Dam project).

**INDIA.** Purchases with FOA funds are generally handled by the India Supply Mission, 2536 Massachusetts Avenue N.W., Washington, D.C., and to a lesser extent by General Services Administration, Washington, and other United States government agencies.

**PHILIPPINES.** The Republic has received sizable economic aid grants. Most of the purchasing under FOA financing is done by the Philippine government agency, Philippine Council for United States Aid, Terminal Building, Aduana Street, Manila. This agency will buy from firms licensed to do business in the Philippines which, of course, includes private importing firms.

**TAIWAN (Formosa).** FOA-financed purchasing on behalf of Chinese Government monopoly enterprises is either carried out by the Taiwan Power Company, 39 Ho Ping Road E., Section 1, Taipei, direct (where this organization's own interests are involved), or by the Central Trust of China (U.S. Aid Division), 96 Po Ai Road, Taipei, Taiwan, (where other state monopolies are to be the recipients). The latter has a New York office at Room 1508, 102 Maiden Lane, New York 5.



In the interests of clarity, it is appropriate to mention here that the Central Trust of China (*Trading Division*), 86 Po Ai Road, Taipei, usually handles the purchasing on behalf of Chinese Government monopoly enterprises when the Chinese Government's own foreign exchange is involved.

In other cases, private Taiwan firms may participate in the purchasing by submitting their bids for foreign exchange, supported by concurrent offers, as per the published bi-monthly commodity budgets, administration of which has been delegated to the Bank of Taiwan, Head Office, Chungking Road South, First Section, Taipei, Taiwan.

**REPUBLIC OF KOREA.** The Korean Office of Procurement, Seoul, makes direct purchases with FOA funds. The Government grants to Korean importers, distributors and end-users import permits and dollar allocations to import goods for their own use, for resale, and for the account of the Government. Some procurement is handled through U.S. government agencies.

The United Nations Korean Reconstruction Agency (UNKRA) also purchases for Korea with funds contributed by members of the United Nations. This organization buys through United States government agencies and through its own purchasing office in the United Nations Building, New York.

**INDO-CHINA (SOUTH VIETNAM, CAMBODIA, LAOS).** Requirements are obtained principally through private importers; the remainder obtained through U.S. government agencies. FOA has recently announced that there will be no restrictions on sources of supply in procurement authorizations for Indo-China.

**INDONESIA.** Purchasing is carried out by the Central Purchasing Office of the Republic of Indonesia, Djakarta, General Services Administration, Washington, other United States government agencies, and the United States Operations Mission, Djakarta.

Since production has been restored to reasonable levels in the more highly industrialized European countries—AUSTRIA, BELGIUM, DENMARK, FRANCE, GERMANY, ITALY, THE NETHERLANDS, NORWAY, UNITED KINGDOM—these countries are no longer in great need of FOA assistance. Procurements now consist solely of agricultural products which are surplus in the United States, coal, and, on occasion, other industrial raw materials. These purchases are largely arranged through normal commercial channels and usually only United States suppliers are permitted to participate.

#### Points to Remember

Canadian firms should bear in mind three points about FOA procurement which are worth repeating.

- Canada is still frequently named as a source of supply in procurement authorizations and thus opportunities for business exist.

- In most cases, orders arising out of FOA financing are still placed through normal commercial channels in the recipient countries so that firms with active connections in these countries stand the best chance of obtaining business.

- If Canada is not included as a source of supply on procurement authorizations, there are usually good reasons for the omission. However, if the goods in question can be competitively supplied from Canada and, more important, if there has been a traditional movement of these goods from Canada to the country concerned, then Canada may be named as a source if FOA authorities are told of the omission.

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#### Tours of Territory

R. W. BLAKE, *Commercial Secretary and Agricultural Secretary in Melbourne, Australia*, plans to tour the dried vine fruits areas in Mildura (Victoria) and Renmark (South Australia) in late February or early March.

G. A. BROWNE, *Commercial Secretary in Havana, Cuba*, plans a tour in Cuba early in March during which he will visit Santiago de Cuba, Holguin, Camaguey, Cienfuegos, Santa Clara, Sagua la Grande, Cardenas and Matanzas.

M. B. BURSEY, *Commercial Counsellor in Ciudad Trujillo, Dominican Republic*, will visit Puerto Rico in March.

C. R. GALLOW, *Consul and Trade Commissioner in New York*, will pay a three-week visit to Bermuda beginning March 16.

R. E. GRAVEL, *Commercial Secretary in Santiago, Chile*, will visit the free port of Arica in March.

W. D. WALLACE, *Commercial Secretary, Djakarta, Indonesia*, expects to visit Sumatra early in April. His itinerary will include Medan and other cities in the oil-producing areas.

Businessmen interested in trade with these areas should get in touch with the officer concerned as soon as possible. Addresses of Canadian trade offices are listed in the Foreign Trade Service Directory appearing on page 29.



*One of the eight Canadian registered bulls sold to Spain is led off the aircraft and receives a great welcome. Holding the bull's head is Spain's Director-General of Livestock; in the centre, Bruce Rankin, Commercial Secretary at the Canadian Embassy, Madrid, and far right, Lt. Gen. Maurice Pope, Canada's Ambassador to Spain.*



## Canadian Bulls for Spanish Farms

*B. I. RANKIN, Commercial Secretary, Madrid.*

SPAIN AND BULLS just naturally go together. The very mention of the country conjures up a romantic picture of the bull-ring—with the matadors and picadors colourfully garbed to display their skill and daring before the appreciative crowd that follows so avidly this national pastime.

Like the proverbial sale of refrigerators to Eskimos, eight Canadian registered bulls have been sold to Spain. Unlike their Spanish brethren, however, they will not meet their fate in the bull-ring.

Specially selected from some of Canada's leading herds of Holstein-Friesians, they will be distributed to artificial insemination centres in those Spanish provinces where the best milk-producing cattle are to be found. At the same time, they will be used to produce new stock of this type with a high milk-production record for breeding purposes.

The first National Cattle Breeders' Congress, attended by 3,000 delegates from all parts of Spain, was held in Madrid in November 1954. It was at this Congress that the problems of the industry and plans for their solution were thoroughly aired.

Increase in milk production was highlighted as one of the chief aims of the Ministry of Agriculture. Centres of milk production have been created in ten provinces. Reference was also made to the import of first-class breeding stock from Europe consisting of eight bulls and of six heifers from the United States.

It was announced for the first time at the Congress that eight bulls had been ordered from Canada—"the country at present breeding the world-champion milk-producing cattle. These imports will continue".

The aim of the Ministry of Agriculture is to increase present average milk production from 1,800 litres to over 3,000 litres per head—or approximately double milk production in Spain.

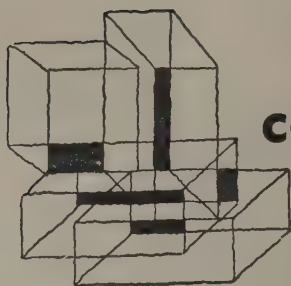
Plans for improvement, including the continuation of the policy of importing exceptional breeding stock, were endorsed by the Congress.

### Arrival an Event

The arrival of the Canadian bulls marked the first time that cattle have ever been flown to Spain. The welcome was well worth seeing. To the sound of dozens of flashlight bulbs and the click of movie cameras, the bulls were led individually down a specially-constructed ramp, to be greeted by the Director General of Livestock, the Chief of Artificial Insemination Services, the Chief of the Provincial Syndicate of Livestock, many other officials of the Ministry of Agriculture and representatives of agricultural publications. The Canadian Ambassador was also present. The event proved to be front-page news and each daily in Madrid carried pictures and write-ups.

It is hoped that Canada will continue to participate in this and other plans to revolutionize Spanish agriculture.





## commodity notes

### Australia

**TITANIUM OXIDE**—A Burnie (Tasmania) processing plant is embarking on an expansion program to raise the output of titanium oxide from the present 4,000 tons per year to 8,000 tons. When completed, the company expects to be able to supply the major part of Australian requirements for titanium oxide pigments, used mainly in the manufacture of paint—Melbourne, Jan. 13.

**BUILDING MATERIALS**—The output of a wide range of building materials reached record figures in Australia during 1953-54. Production of clay bricks exceeded the 1938-39 record of 721 million by 82 million. However, there is still an acute shortage of galvanized iron, terra cotta tiles, cement and bricks. Despite the large increase in output of building materials there is not sufficient to meet demand. Other building materials which were produced in record quantities during 1953-54 were asbestos-cement building sheets, portland cement, fibrous plaster sheets, cast iron porcelain enamel baths and earthenware pedestal pans—Sydney, Jan. 12.

### Cuba

**LARD**—Hog lard consumption in Cuba runs to about 12 million pounds a month, almost all of it imported from the United States. All imports enter through the Port of Havana in tank cars of 60,000 pounds each. Eleven firms pack the product and distribute it throughout the country. Prices are governed by the fluctuations in the Chicago market—Havana, Jan. 20.

### India

**NEWSPRINT**—India's first newsprint factory, the National Newsprint & Paper Mills Ltd., popularly known as Nepa Mills, is scheduled to go into production early this year. It is located in the State of Madhya Pradesh. A team of pulp and paper technicians sponsored by the United States Foreign Operations Administration recently arrived to train local personnel in modern maintenance methods. The mill will use chemical pulp made from bamboo and mechanical pulp from locally abundant "salai" wood.

Its capacity is rated at 30,000 long tons a year, which is 50 per cent of India's current domestic requirements—Bombay, Jan. 25.

### Indonesia

**TIN**—The State Mining Office has announced that production of the Banka and Billeton tin mines for 1954 amounted to over 35,000 metric tons, almost 2,000 tons greater than the 1953 output. Domestic consumption of tin last year amounted to over 200 tons—Djakarta, Jan. 26.

**TOBACCO**—The Central Java Agricultural Department plans to expand Virginia tobacco cultivation; land not used for food crops will be planted with tobacco and sufficient seed for planting 5,000 acres has been distributed. The Department hopes to raise Virginia tobacco output from 9,000 to 13,000 tons—Djakarta, Jan. 21.

### Philippines

**GOLD**—The Central Bank has released an initial \$239,238 to subsidize the Philippine gold mining industry. Under the subsidy law, a gold producer may sell either on the free market, or to the Government at \$52.50 to \$55.86 an ounce. The price in the open market is still \$55.50 per ounce. Although the subsidy price is now too low to induce all producers to sell to the Government, it does offer the assurance that mines will not operate at a loss—Manila, Jan. 15.

**URANIUM**—Philippine Iron Mines have announced a radium discovery on their properties. Stocks in the company almost doubled in value before it was made public that a congressional committee would be appointed to study "nationalizing" uranium claims "in accordance with the national security program"—Manila, Jan. 15.

### South Africa

**OILSEEDS**—Production of peanuts and sunflower seeds has increased more than tenfold in South Africa since 1946—from 8,300 tons of peanuts and 2,000 tons



of sunflower seeds to 95,700 tons and 53,200 tons, respectively, in 1953. The value of peanuts harvested in 1953 was £6.5 million; the turnover of sunflower seed handled by the Oilseed Control Board amounted to £1.5 million—Johannesburg, Jan. 18.

## Spain

**PAPRIKA**—New export prices for paprika have been established by the Ministry of Commerce which will be in force as from January 1, 1955. The new tariffs, in United States dollars, are as follows:

Quality	Tariff No. 1 United States	Tariff No. 2 Europe and South America	Tariff No. 3 Other Countries
1 .....	0.814	0.81	0.81
2 .....	0.748	0.74	0.74
3 .....	0.682	0.68	0.68
4 .....	0.616	0.61	0.61
5 .....	0.55	0.55	0.55
6 .....	....	0.43	0.43
7 .....	....	0.32	0.30
8 .....	....	0.24	0.24

—Madrid, Jan. 25.

## Sweden

**PULP AND PAPER**—According to the Swedish publication *Business World*, the Scandinavian pulp and paper industry can view the export offensive from North American competitors with comparative equanimity. It is expected that, as competition will mainly be in the West European and other nearby markets, the Scandinavian exporters will have the advantage of shorter supply lines. In addition, it is probable that West European pulp and paper consumption will increase so much that further wood pulp supplies from North America will be necessary to meet this demand—Stockholm, Jan. 8.

**WOOD**—It is reported that Swedish sawmills have, so far, signed contracts for the export of wood for delivery in 1955 of over 300 thousand standards. Business with Great Britain for deliveries in 1955 slackened off considerably during December; it is considered that this was mainly due to the offers of Polish and Russian wood, at lower prices—Stockholm, Jan. 8.

## United Kingdom

**RADIOS**—Production of all types of radio sets increased in the first ten months of 1954 by as much as 70 per cent over the comparable period of 1953. Up to October 31st last year, 1,536,000 domestic radio receivers were made, compared with 898 thousand in the first ten months of 1953. Taking the industry as a whole, radio exports for 1954 are certain to set a new record. Shipments in the first eleven months were valued at £26.1 million, almost £500 thousand more than for the whole year 1953.

Easier instalment plan terms, which have been in operation since mid-1954, have substantially increased sales in the domestic market—London, Jan. 31.

## United States

**ALUMINIZED STEEL**—An Ohio steel firm has announced the development and production for commercial use of a new type of aluminum-coated steel. The product combines the corrosion-resisting and heat-reflecting qualities of aluminum with the strength of steel. Although a similar combination has been made previously for special high temperature and heat-reflecting applications, the new product has been used successfully under general atmospheric conditions. It will be used in prefabricated buildings, rolling doors, covers for silos, etc. One of its big advantages in construction work is that it does not require painting to extend its life—Detroit, Feb. 3.

**COPPER**—A new \$80 million integrated copper mining and smelting operation went into production in January in the upper peninsula of Michigan. The developing company began work in 1952 and has since dug a mine and built a mill, smelter and power plant, as well as housing for the staff. It is reported that the company has a government contract for 75 million pounds of copper over a seven-year period—Detroit, Feb. 3.

## Venezuela

**OIL**—According to an official release by the Ministry of Minerals and Petroleum, Venezuelan oil production for November reached the new high of 2,015,391 barrels a day. The average daily production for the first eleven months of 1954 was 1,877,857 barrels—Caracas, Jan. 20.

## West Germany

**CEREALS**—Final figures on the West German cereal harvest give the 1954-55 yield per hectare (per 100 kilograms) as: rye, 26.8, wheat and spelt, 26.1, and mixed winter grain, 25.2, giving a total yield of bread grain of 26.5. For feed and industrial grain the yields were: barley, 26.2, oats, 26.2, and mixed summer grain, 26.6. Total grain yield per hectare was 26.4. In quantity, this season's yield exceeded that of 1953-54 by 1.2 per hectare (in 100 kilograms). Wheat, however, showed a decline of 1.4. Final figures of the crop (in 1,000 metric tons) were: rye, 4,098, wheat and spelt, 2,892, and mixed winter grain, 178. The bread grain crop thus totalled 7,168. Figures for feed and industrial grain were: barley, 1,919, oats, 2,473, and mixed summer grain 1,010—Bonn. Jan. 24.



# Denmark

## *studies trade problems*

J. L. MUTTER,  
Commercial Counsellor, Oslo.

During 1954, Denmark's dollar balances remained good, but deficit with EPU countries mounted. Greater production of goods for export, plus measures to conserve foreign exchange, should help to remedy the situation.

THE YEAR 1954 has proved a difficult one for Denmark's foreign exchange position. During the first six months, the net foreign exchange holdings of the National Bank fell from Danish kroner 330 million to kroner 23 million, a drop of kroner 307 million, of which 119 million took place in June alone. The decline was largely the result of increased debts to EPU countries; dollar balances actually improved.

### How Problem Arose

This foreign exchange problem resulted partly from an expansion of animal production, which meant increased imports of grain and feedingstuffs, but should subsequently lead to increased exports and larger foreign exchange income. The situation was made worse by poor weather conditions which brought a smaller harvest. Then too, rising prices for certain raw materials and a fear of new import restrictions (which proved groundless) induced increased purchases abroad for stockpiling.

All these were transitory factors but there were other underlying influences on the situation. Danish endeavours to industrialize quickened investment activity, and consumption, partly because of rising wages, reached such a high level that it increased economic difficulties. In addition, Denmark has given much more favourable treatment to imports than she has received from other EPU countries which are her natural markets.

Although these countries have done much to liberalize trade within the EPU framework, agricultural imports generally remain restricted. The increase in Danish exports has thus been mainly directed to the United States, including purchases for the U.S. armed forces in Europe, and to other countries outside the EPU. This explains to a large extent why Denmark has maintained her dollar reserves and at the same time gone into serious debt to the European Payments Union.

This situation brought about measures designed to check the outflow of foreign exchange. The National Bank raised its discount rate from  $4\frac{1}{2}$  to  $5\frac{1}{2}$  per cent. The Government resolved to reduce public investment expenditure by about kroner 200 million, tightened

the dollar premium arrangement for the purchase of motor cars, and offered for public subscription a premium bond loan of kroner 100 million. At the same time the yield on the current government bond issues was raised to stimulate the sale of these bonds and thereby contribute to a tightening of the money market.

These steps led to an improvement in the foreign exchange position. In July, the net holdings of the National Bank decreased by a mere kroner 18.5 million compared with 119 million in June but this apparent stability in foreign payments did not last. The foreign exchange holdings fell by kroner 90.5 million in August and by a further 78.6 million in September. The Government then brought in bills to curtail investment and consumption, to encourage saving by a system of premiums, and to give additional support to the export trades through export guarantees.

The effect of these measures will not be evident immediately, but recent developments in Denmark's economic policy seem to indicate progress in the right direction. And, as the Prime Minister himself remarked, they make a good starting point for a stabilizing economic policy.

In October Denmark incurred a further debt with EPU of kroner 59 million, bringing the total drafts on the European Payments Union in 1954 up to kroner 707 million, half of which has to be paid in gold or dollars. Currently Denmark has an overwhelming debt with the countries of Western Europe, but substantial dollar holdings. According to new EPU regulations which came into effect on July 1 last, Denmark's total quota is kroner 871 million. If this sum is exhausted, any fresh debt to Western Europe must be wholly covered in dollars. The dollar reserve is at present between kroner 600 and 700 million.

### Foreign Trade Expands

Denmark's foreign trade expanded during the eight months' period January-August. Imports totalled kroner 5,184 million, or 768 million more than in the corresponding period of 1953. Kroner 633 million of this increase was in producer goods and the remaining



135 million in consumer goods. Exports rose by kroner 320 million to 4,211 million, to give an import surplus of kroner 937 million in 1954, compared with 525 million in the first eight months of 1953. During the first nine months of 1954, Denmark had a trade deficit with Western Germany alone of about kroner 600 million, or more than half of the total trade deficit. With the exception of textiles, all categories of imports showed increases, with the largest ones in grain and grain products, feedingstuffs, base metals, pulp and paper, lumber and wood products, machinery and appliances, and transport equipment. Exports of agricultural products rose by kroner 117 million, industrial goods by 183 million, fish and fish products by 10 million and "other goods" by 10 million.

Denmark's exports to Canada during the first nine months of 1954 increased to \$2,608,684 from \$1,544,667 in the same period of 1953, while imports from Canada dropped sharply to \$1,764,537 from \$5,046,635, (Canadian trade statistics). Most of this decrease stemmed from the fact that Denmark increased her purchases of wheat, oats and barley from EPU countries and Soviet Russia at the expense of Canadian and United States grain. Purchases of copper, automobiles and radio apparatus from Canada were also smaller. The most important commodities exported to Canada were machinery and parts, cheese, and cryolite from Greenland.

### Industry

In 1954 Denmark's industrial production reached a peak. The average total production index for the first eight months of the year rose from 108 in 1953 to 113 in 1954 (1949=100). There was, however, a considerable difference between the indexes for consumer goods and producer goods; the index for the former increased by a single point only, but the index for the latter went up by 11 points. Iron and metals rose 16 points, transport equipment, paper, printing and allied industries, eight points, the chemical industry, five points, the stone, clay and glass industry four points, and food products one point.

### The Agricultural Picture

Because the weather was unfavourable, farmers have had great difficulty in harvesting crops this year. However, despite pessimistic early estimates, recent reports indicate that the total volume of the crops will be only slightly lower than last year. The total grain crop is estimated at 4.2 million tons (4.4 million tons in 1953), of which 280 thousand tons were wheat, 275 thousand tons rye, 2.1 million tons barley, 810 thousand tons oats, and 780 thousand tons mixed grain.

On July 17, the number of cattle in Denmark totalled 3,152,000 compared with 3,068,000 a year previously, and the number of pigs had increased from 4,310,000

to 4,840,000—or by more than half a million head. By October 9, the pig population had reached 5,065,000. This rise in farm animal stocks increased imports of feed grain and other feedingstuffs from kroner 267 million in the first eight months of 1953 to kroner 564 million for the same period of 1954. The rise in the output of animal products has been only moderate so far; the production of milk rose from 3,772,000 to 3,839,000 tons, butter from 119,800 to 129,000 tons, beef and veal from 123,500 to 126,600 tons, and bacon and pork from 315,700 to 334,000 tons; the output of cheese actually declined.

Negotiations over Danish supplies of butter and bacon to the United Kingdom during the year October 1, 1954, to September 30, 1955, were concluded in September, but the result fell short of Danish expectations. It proved impossible to obtain an increase in the bacon price of kroner 4.45 per kilogram f.o.b., and the butter price was reduced by 3.75 per cent to kroner 6.32 per kilogram f.o.b. However, Britain did commit herself to take delivery of 240 thousand long tons of bacon (against the 200 thousand long tons previously agreed upon for the year 1954-55), and Denmark, hitherto bound to direct 90 per cent of her bacon exports to Great Britain, is now committed to deliver only 208 thousand long tons.

### Fisheries

Preliminary estimates show that the total fish catch during the first nine months of the year was 295,949 tons compared with 255,197 tons last year. The value of fish exports during January-August totalled kroner 110 million (kroner 100 million in 1953). To assist the fisheries and promote better distribution, three welcome and important laws were introduced during the year—the first to support the building of new fishing vessels, the second to provide for loans to sales organizations distributing fish, and the third to improve the quality of fish and fish products.

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### Conference in Chicago

*The 1955 Chicago World Trade Conference will be held in the Morrison Hotel, Chicago, March 1 and 2. Although program arrangements have not been completed, the first session is expected to consist of speeches by four export executives who will deal with the markets in Latin America, the Far East, Europe, and the Middle East and Africa. In succeeding sessions other subjects of interest to traders will be covered briefly and considerable time will be devoted to questions and answers, and to general discussion. Businessmen who wish information about the Conference should write to: Chicago World Trade Conference, 1 North LaSalle, Chicago 2, Ill.*



# Business in Panama

## from a Canadian viewpoint

*Opportunities in this small market are changing as the country develops. But, in face of severe competition from other countries, Canadian exporters boosted sales to the Republic last year.*

J. R. MIDWINTER, Assistant Trade Commissioner, Guatemala City.

BUSINESS CONDITIONS in the Republic of Panama continued rather unsettled throughout 1954. Local businessmen reported sales problems; foreign exporters found competition there severe and collections slow; demands for credit were general.

This situation stemmed partly from a steady decline in the number of United States civilian and military personnel in the Canal Zone, but also from continued reaction to the boom years of World War II and the Korean conflict. During each of these periods, sales were easy and there was a great expansion in the number of business houses sharing what is, after all, a very small market. During 1954, a number of firms went into liquidation and it was estimated in November that 40,000 persons were out of work, chiefly in Colon and Panama City.

Colon particularly has been having hard times, as business has concentrated more and more in the capital city across the Isthmus. Establishment of the Colon Free Zone and the recent practice of some steamships of calling only in Cristobal during transit of the Canal (so that passengers must shop in Colon or not at all) have helped some but not yet appreciably.

### New Developments in Area

Nevertheless, there are a number of promising developments tending to reduce Panama's dependence on the Canal and some may eventually mean greater prosperity for the country as a whole. One is the large shrimp fishery based on Panama City which has become important during the past few years. This shellfish now constitutes the country's second export, exceeded in value only by bananas. From only \$168 thousand in 1950, shrimp shipments have risen to an estimated \$4 million for 1954. This latter figure is even more significant than might at first appear. A large part of the production of bananas, as well as practically all the abaca and cacao (Panama's two other major exports) come from the American-owned United Fruit Company plantations. This organization operates in

outlying sections of the country and has only a limited effect on the national economy.

The fishery is under the control of a government-sponsored co-operative—Co-operative Pesquera Panama, S.A.—which now owns a cold storage and packing plant, a small shipyard, and a fleet of 80 shrimp trawlers. After cleaning and quick-freezing, the shrimps are shipped to United States markets, where they enjoy a premium price.

Canadian firms are getting some business from this prosperous new industry. Exports to Panama of fishing nets and lines, which totalled less than \$600 for the three years 1949 to 1951, reached \$27,132 in the first eleven months of 1954.

### Expansion in Farm Output

Agriculture has also expanded encouragingly, especially in the western provinces of Chiriqui and Veraguas. In the past, although ample good land was always available, production was disorganized and inefficient and means of transport lacking. As a result, most of Panama's food came from outside the country.

To remedy the situation, the Government a few years ago instituted schemes to make Panama as nearly independent in food as possible. These efforts have met with considerable success. Panama is now self-sufficient in corn, beef, rice, sugar, eggs, poultry, coffee, tomatoes and vegetables, and is approaching self-sufficiency in milk. Production of potatoes has apparently trebled in the past three years, reducing considerably the quantity which must be purchased abroad. In time, imports may be restricted to seed potatoes. The Republic is now supplying the sugar needs of the Canal Zone and in 1954 exported several thousand tons to Venezuela.

A census of the principal livestock species in June 1954 showed 579 thousand cattle, 276 thousand hogs, and 2,060,000 chickens, increases over 1950 of 3, 28, and 20 per cent respectively. During this same period,



production of eggs increased by approximately 18 per cent and that of milk by over 6 per cent. The two provinces of Bocas del Toro and Darien were not included in the census but they are thinly populated and unproductive.

All this agricultural development has affected adversely the sales of some Canadian products such as eggs, evaporated and powdered milk, hides and leathers, and potatoes. On the other hand, the market for certain lines has increased, particularly agricultural machinery and oats for feed. There are good possibilities also for fertilizers, agricultural chemicals, various other livestock feeds such as alfalfa, and pure-bred livestock. In addition, the Government of Panama has made no effort to stimulate local production of wheat. Flour therefore should continue to be a major Canadian export to this market.

The following table shows the changed pattern for a number of products.

**Exports from Canada to Panama**

(value in dollars)		1954
<i>Adversely affected</i>	<i>Average 1949-51</i>	<i>(first 11 months)</i>
Butter (partly foreign competition) .....	\$17,776	.....
Eggs .....	14,979	prohibited
Leather, unmanufactured .....	9,024	"
Milk, evaporated .....	56,023	8,481
Potatoes, other than for seed .....	2,826	1,542
Tomato paste, pulp and puree; sauces and catsups .....	9,136	.....
<i>Favourably affected</i>		
Agricultural machinery and implements, including tractors .....	28,149	69,644
Oats .....	47,065	48,415
Potatoes, for seed .....	1,037	9,263

Source: Dominion Bureau of Statistics.

The Pan-American Highway is now paved most of the way from Panama City to the Costa Rican border and, with new feeder roads, is providing easier access to the farmlands of the western provinces. With an efficient food-gathering system to feed metropolitan Panama and the Canal Zone from within the country, agriculture should receive a further boost.

The Panama Canal and international trading will naturally remain, for a long time to come, the principal businesses of the country. Virtually all commerce and industry is concentrated at either end of the Canal in and around the two centres of Panama City and Colon. Metropolitan Panama and the adjoining Zone towns of Balboa and Ancon contain well over 200 thousand persons and make up by far the largest market. Approximately three-quarters of Panama's commodity imports are distributed through the city of Panama.

It is still possible to cover the Panamanian market effectively by one representative located in Panama City. In any case, many of the larger importing houses have branches in Colon and the interior.

The Panama Canal Zone, however, offers a special problem. Many residents do buy heavily in the Republic, but it might sometimes be desirable to reach them through the Panama Canal Company commissaries in the Zone itself. In this case, it is necessary to sell to the company's purchasing department in New York city and here an agent in Panama cannot help.

Panama, with less buying power than any of a half-dozen medium-sized Canadian cities, is a small market, but it does have the advantage of free dollar exchange and relatively easy access from both Canadian coasts. For some products a useful and profitable business can be built up.





Panama has no discriminatory trade clauses against any country and Canada enjoys most-favoured-nation treatment. Tariffs generally are designed to secure revenue though in recent years the Government has attempted to stimulate some home industries by higher tariffs on imports. Import of a number of agricultural products is prohibited, including the following of interest to Canadians: edible oils, cured hides and leather, eggs, condensed milk, tallow, and preserved strawberries. In addition, some control is exercised over purchases of evaporated milk, potatoes, tomato paste and tomato sauce.

Although the United States is Panama's dominant trading partner, Canada occupies an important place and is a major supplier of such commodities as flour, whisky, fish, newsprint and powdered milk, and a large buyer of bananas.

When the value of "ships sold" (usually simply a transfer of registry) is deleted from our statistics,

exports in 1954, at \$2,788,709, were substantially higher than the \$2,717,720 worth registered during the previous year.

Canadian exporters have obtained this increase in the face of severe price and credit competition from Europe and Japan which has hit Canadian sales of hardware, hand tools, electrical fixtures, automobile accessories, textiles, kitchenware, fine and processed paper products, canned hams and a number of other items.

Nevertheless, future prospects are bright for such products as pharmaceuticals, fertilizers, oats and other livestock feeds, seed potatoes and other seeds, agricultural machinery and implements, nets and other commercial fishing supplies, copper and brass tubing, rubber tires and inner tubes and some building materials. Whisky, flour, salt cod, sardines, newsprint and powdered milk should remain the chief Canadian exports to this small but worthwhile market.

## Plywood Tea Chests for Indonesia

INDONESIA is a substantial importer of plywood tea chests. Some of these chests are manufactured locally, but most are imported unassembled and put together on the tea estates. European countries are the chief suppliers. Before World War II, chests were occasionally imported from Canada but no Canadian ones have been bought since the war. Canadian firms wishing to enter this market would have to offer a competitive product.

The number of tea chests imported each year depends largely on the crop, but the trade estimates average annual requirements at close to 700 thousand. Of these, over 600 thousand are full-size chests, measuring 19 by 19 by 24 inches, and the remainder are half chests, 17 by 17 by 17 inches. Local production goes on mainly at a plywood tea chest factory in north Sumatra which uses a domestic tropical redwood. Operating at full capacity, this factory can produce 360 thousand chests a year, although actual production is closer to 300 thousand. In addition, there are some small manufacturers in various parts of the country; they use imported plywood when available.

The tea estates import most of their tea chests; almost all of them are made of birch plywood. Here are the number of chests imported and the suppliers in the first six months of 1954, with 12 months of 1953 in brackets: Finland, 232,816 (115,000); Netherlands, 91,683 (58,800); Sweden, 51,400 (3,000); United Kingdom, 31,370 (120,500); Japan, nil (7,000).

Tea chests from England are usually made of birch plywood imported from Finland and Russia. The aluminum foil, metal stripping and fittings are English, the battens from Sweden.

Demand for aluminum foil to line the tea chests is large. It is estimated that two rolls of 0.025 mm. thickness are required for every 100 full-size tea chests. The rolls measure 24 by 7,800 inches and 19 by 3,800 inches. Usually they are imported at the same time as the unassembled chests and come as part of the shipment. Chief suppliers are the United Kingdom, Germany, Switzerland, Austria and the Netherlands.

The chests are ordered in units of 100 and are packed in bundles as follows: one bundle of 100 tops; one bundle of 100 bottoms; four bundles of 100 sides each; two bundles of battens; one bundle of fittings, including metal stripping, nails, tenter hooks and rivets, and two rolls of aluminum foil. Present prices in Indonesia range from 27.50 to 28.00 rupiahs (rupiahs 11.40 = \$1.00) for one imported, full-size plywood tea chest. The price is expected to increase as a result of rising manufacturing costs. Imported plywood tea chests, parts, fittings and linings enter Indonesia free of duty. Aluminum foil imported separately and used exclusively for lining tea chests also enters free.

—W. D. WALLACE,  
*Commercial Secretary, Djakarta.*



# Trading with the Argentine

*Need to save dollars and emphasis upon bilateral trading have hampered Canada's sales to the Argentine in recent years. Other factors, of longer standing, also influence this trade.*

C. S. BISSETT, *Commercial Counsellor, Buenos Aires.*

CANADA'S TRADE with the Argentine in 1953 was marked by smaller sales to and larger purchases from that country. This reduction in imports was common to Argentine trade with all countries and was the result of the policy of import austerity initiated at the end of the disastrous drought year of 1952.\* The proceeds of the excellent 1952-53 crops had to be used to purchase only highly essential products, to liquidate the commercial debt built up in 1951 and 1952 under the compensatory trade agreements, and to rebuild the exchange reserves. Because dollars were mainly used for this last purpose, the percentage decrease in imports from the dollar area was greater than in imports from the soft currency areas. This trend shows up in the following table, based on the official Canadian trade figures.

Year	Exports	Imports (in Canadian dollars)	Balance + or -
1950 .....	13,391,684	10,912,638	+ 2,479,046
1951 .....	8,971,683	13,954,500	- 4,982,817
1952 .....	8,282,433	4,374,437	+ 3,852,976
1953 .....	7,641,110	8,528,681	- 887,571

Argentine statistics cannot be used to estimate accurately the value of the annual trade because of the multi-rate exchange system. There are three main exchange rates for both exports and imports, plus a number of other rates for specified products. To compute total values accurately, one would have to reduce the values of individual products to a common exchange denominator. This is possible for commodity groups but not for individual products because a number of these, each carrying a different exchange rate, may be grouped under several miscellaneous entries.

Moreover, Argentine figures rarely credit Canada with the value of goods, in appreciable amounts, originally shipped through the United States in bond. Canadian statistics thus reflect more accurately the amount of trade carried on between the two countries.

## Factors Affecting Trade

Trade between Canada and Argentina has always been limited by the fact that the two economies are competitive rather than complementary. Argentina, for instance, derived 47 per cent of its foreign income in

1953 from animal products and 44 per cent from agricultural products. And she can sell to Canada only tropical and sub-tropical types of agricultural products, and animal products not produced domestically in large enough quantities to satisfy the Canadian demand.

Another vital factor enters into this trade—the Argentine policy of balancing trade bilaterally. This means that Canadian sales to Argentina depend almost wholly on Canadian purchases of Argentine products although Canadian exports may, in principle, result from any Argentine authorization of imports payable in U.S. dollars.

The following table shows the main products in export trade during the last two years of a value exceeding \$20,000.00.

Items	1953	1952
Agricultural machinery, etc. ....	4,465,917	6,333,468
Asbestos fibre .....	1,295,585	235,506
Seed potatoes .....	984,731	.....
Gas engines and parts .....	225,323	.....
Asbestos waste shorts .....	126,141	30,977
Needles .....	111,752	5,801
Papermakers' felts .....	70,270	.....
Synthetic fibre manufactures .....	67,814	.....
Steel sheets, plates, strips .....	47,979	68,316
Drugs and chemicals .....	28,845	5,534
Pure-bred cattle .....	27,585	.....

## Changing Sales Pattern

The item "agricultural machinery" has a number of components: farm tractors, valued in 1953 at \$2,549,554, was the most important. Seeders and drills at \$826,491 and disc ploughs at \$387,324 came next. Tractors and parts for non-farm use at \$336,020 also made an important contribution. Unfortunately this group will tend to disappear from future trade returns because no new import permits covering any class of farm machinery or implements were issued to any Canadian importer in 1953 or in 1954. When the present three-year contracts have been completed shipments will cease, because present policy is to issue import permits only to foreign firms that have agreed to establish manufacturing plants in this country. Local manufacture has already made considerable progress. Practically all farm implements and most of the machinery are now made locally and this applies even to the more intricate machines such as combines. One

\* See also "Tracing Argentina's Trade Pattern", in our Feb. 5, 1955, issue—Ed.



farm tractor is now made here and plants to produce several others are expected to be in operation next year. However, the almost certain loss of the agricultural machinery business can probably be made up by new business in industrial machinery.

Asbestos fibre and shorts and knitting machine needles are standard items which appear from year to year; seed potatoes usually appear only once every three years. Gas engines is a new item which it is hoped will grow, as should the remaining smaller items.

Products of importance in 1952 which tended to disappear in 1953 were large-size truck tires, now being made in Argentina; newsprint, bought only from Europe although it will again appear in Canadian sales in 1954; calcium carbide, now manufactured locally in quantity; aluminum ingots, now obtained from Europe under one or the other compensatory trade agreement, and iron and steel, also obtained chiefly under such agreements.

As Argentina industrializes, the pattern of Canadian sales tends to change from fully finished goods to semi-manufactured ones or to prime materials.

#### Purchases from Argentina

The following table gives all imports into Canada over \$20,000 in value during the two years.

Items	1953	1952
Raw cotton .....	2,937,318	.....
Wool .....	2,501,453	392,498
Canned beef .....	1,512,056	1,725,153
Quebracho extract .....	836,678	527,985
Fur lamb skins .....	208,305	239,654
Sheepskins, raw .....	96,870	152,931
Waste .....	71,863	356,922
Extract of beef .....	64,142	33,702
Cheese .....	57,597	54,704
Fresh fruits .....	35,635	15,863
Broom corn .....	27,229	32,448
Cattle hides, raw .....	22,909	171,435

The trade in raw cotton is rather new because only recently has Argentina produced an export surplus. It is a short-fibre type which can be mixed with a longer fibre and used to advantage. Wool is a trade of long standing but Argentina's 1952 policy of withholding wool from the international market greatly reduced Canadian purchases in that year. Canned beef and beef extract sell in Canada regularly against all competition and are staple items of this trade interchange. Quebracho extract for the tanning trades has always been important; so have hides and skins of different types. The cheese is mainly of the Parmesan type and the fresh fruits, mainly grapes and pears. This latter trade could develop if it were pushed harder.

Notable absentees during the two years' trade under review were a number of items which previously were important, such as the oilseeds and the oils group covering linseed, cottonseed, and sunflower and other oils. Substantial 1952 shipments of tung or chinawood oil were not repeated in 1953 and no large shipments of maize have been made for some years. ●

## Sports Boats for the South

A DEMAND for recreational equipment is going hand in hand with the South's increasing population of 39 million and with its rising incomes. The long summer from April to the end of September with frequent spells of intense heat and the many rivers, lakes, and tidewater in at least nine of the States encourage widespread interest in water sports and fishing.

The result is that southern sports goods dealers are finding an expanding market for watercraft of all kinds, but especially for small watercraft suitable for either pleasure cruising or fishing.

Dealers canvassed during the past season agreed that one of the best sellers was the 14-foot runabout type of boat, suitable for outboard motors and used for fishing or pleasure. These boats made in moulded plywood, aluminum or Fiberglass, retailed from \$300.00 to \$450.00. A variety of styles and trade names, mainly from Southern manufacturers or assemblers, are being offered. One well-known Texas firm during the past season offered a 14-foot Fiberglass finished boat at \$398.00, retail, subject to 30 per cent discount, but with an additional charge of \$20.00 for freight from Texas manufacturing point to New Orleans. Another Southern firm offered a 14-foot boat in prices ranging from \$325.00 to \$365.00. A Florida firm quoted a 14-foot runabout, suitable for 25 horsepower outboard motor and weighing 260 pounds, at a list price of \$430.00 less a discount of 30 per cent; freight charges from Florida to New Orleans, \$30.00.

U-Make-It boat kits are gaining in popularity and can be obtained for from \$85.00 up. One well-known manufacturer of national repute offered a 14-foot, 62-inch beam, 210-pound weight boat in kit form at \$197.00 retail.

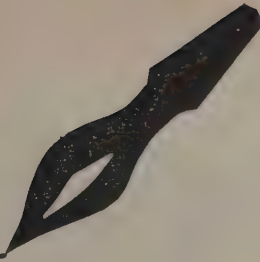
It is apparent that, with freight charges from points near New Orleans amounting to \$20.00 to \$30.00 a boat, the cost of the long freight haul on a finished boat from Canada would make its final price prohibitive. Consequently, the only possibility of participating in this market would seem to be in the form of "knocked-down" construction.

The Consul and Trade Commissioner, 215 International Trade Mart, New Orleans, Louisiana, has a list of all well-known dealers in boats in the deep South and will send this list to any interested Canadian firm.

—G. A. NEWMAN,  
Consul and Trade Commissioner, New Orleans.



# general notes



## Argentina

**SPARKPLUG FACTORY**—A factory is to be established shortly in 4 de Junio, Province of Buenos Aires, for the manufacture of sparkplugs for all types of internal combustion engines. This factory will be operated with Argentine capital under licence from, and technical control of, the Autolite Company of the United States—Buenos Aires, Jan. 17.

## France

**ELECTRIC POWER EXPANSION**—The nationalized "Electricite de France" and "Charbonnages de France" will spend 157 billion francs during the next five years to increase power output by 4,600 million kwh., according to the budget speech of the Minister of Industry during the December debates. Two-thirds of this new power will be generated by thermal stations, whose capacity is to be increased by four billion kwh., while hydro-electric power output is to increase by 1,600 million kwh. The objective is to raise the total power output to 70 billion kwh. by 1961, of which about 40 per cent will be hydro-electric—Paris, Jan. 21.

## Greece

**DISCOUNT RATE REDUCED**—By decision of the Government, effective January 1, 1955, the discount rate will be reduced from 10 per cent to 9 per cent a year while all other related fees and commissions charged by banks may not exceed another 1 per cent instead of the 2 per cent now officially permitted. It is uncertain, however, whether this reduction in the discount rate will result in bank credit, which has been greatly restricted, becoming more easily accessible to businessmen. Rates usually applying to private loans are about 3 per cent per month—Athens, Jan. 12.

## Indonesia

**PARCEL POST TO CANADA**—The General Post Office, Djakarta, has announced that effective November 15, 1954, parcel post shipments can be made to Canada—Djakarta, Jan. 10.

## Japan

**ORIENT'S LARGEST GRAIN ELEVATOR**—The Orient's largest grain elevator, capable of holding 20,000 tons of wheat, will be ready for use in April.

Patterned along North American lines, the elevator will have 28 bins, each eight metres in diameter and 25 metres in height. Cost of the construction, which started in November 1953, is over \$2 million—Tokyo, Jan. 20.

## United Kingdom

**EXPORTS IN 1954**—According to preliminary figures just released, total United Kingdom exports in 1954, at £2,774 million, reached a new high, exceeding the total for 1953 by £87 million. Export volumes also reached a new peak, rising in 1954 by about 5 per cent. Total imports were up almost £40 million in 1954 at £3,382 million. This figure was some £500 million below the record value of 1951.

British exports to North America declined by £34 million in 1954 to a total of £281 million. Exports to the United States, at £149.3 million, were 6 per cent below 1953. Exports to Canada for 1954, at £131.8 million, were 16 per cent less than the 1953 figure of £156.8 million—London, Jan. 26.

## United States

**STEEL MARKET**—The steel market is reported shaping up to a strong first half year, although a decline during the middle of the year is possible. The automotive industry accounts for much of this strength with its big production drive now under way, possibly as a hedge against the risk of an automotive strike at the end of May. Small mills are fully booked for the next six months on many products, particularly light and flat-rolled items; others are advising customers to place orders immediately if they wish to have them filled. Though there may be a cut in demand from the automobile industry, the construction industry expects to be able to fill the seasonal demand. With European steel costing more, competition should be less. The U.S. industry is working at 82.5 per cent of capacity at present—Detroit, Jan. 26.

## Venezuela

**IMPORTS**—During the first nine months of 1954, Venezuela imported merchandise valued at Bs.1,982,880,254, of which the United States supplied 63.4 per cent. The United Kingdom was the second supplier, Western Germany third, and Canada, with Bs.81,581,900, or 4.1 per cent, was fourth—Caracas, Jan. 19.





D. S. ARMSTRONG, *Trade Commissioner, Singapore.*

MORE THAN 130 YEARS AGO Sir Stamford Raffles, the founder of Singapore, stated that this outpost of the East India Company must offer "trade open to ships and vessels of every nation, free of duty, equally and alike to all". Singapore today, one of the most important trading centres in Asia, justifies Raffles' vision.

Trade in the twentieth century cannot exist without a medium of exchange in the form of an acceptable currency. Nor can trade develop or money have any usefulness without the services rendered by banks. In Singapore, Raffles' open trade policy applies "equally and alike" to banking.

The 27 members of the Malayan Exchange Banks Association include British and Indian banks, banks with head offices in Hong Kong, Chinese banks with head offices in Singapore, American, Netherlands and French banks. With such a diversity of banks, many of which have wide ramifications and branch systems, every type of banking business, both domestic and foreign, is undertaken. Some banks are particularly well equipped to handle trade with the United Kingdom and Europe, others with North America, Hong Kong or Indonesia. But almost all pride themselves on being able to conduct a world-wide banking service.

The growth of a banking system is determined by the individual requirements of the country's industry and commerce. But each needs banking facilities of an

entirely different nature. A large part of industrial requirements for finance consists of investment in fixed assets, but commerce needs only temporary accommodation for the period between purchase and sale.

### Commercial Business Predominates

Because Singapore's foundations were laid in commerce, the banks originally established were branches of important merchant or exchange banks and have not been concerned to any extent with the development of Malaya's two main industries, rubber and tin. Adequate finance was available from other sources and the banks have been able to concentrate on the financing and development of trade, including sales of rubber, tin and other local produce.

The minimum rate of the Malayan Exchange Banks for advances against locally produced commodities is 4 per cent, which is as low as the best rate available in London. All local banks advance against the security of goods awaiting shipment, against the hypothecation of imported stocks in their own or their clients' custody, against government or quasi-government securities, against property secured by mortgages legal or equitable, and on a "clean" or unsecured basis. Borrowers, provided the propositions they put forward are sound from a banking point of view, seldom find difficulty in obtaining accommodation for export or essential import trade.

### Malayan Exchange Banks Association

Ban Hin Lee Bank Ltd., 52A Circular Road, Singapore 1.  
Bank of Canton Ltd., 66A South Bridge Road, Singapore 1.  
Bank of China, Battery Road, Singapore 1.  
Bank of East Asia Ltd., 24 South Canal Road, Singapore 1.  
Bank of India Ltd., 132-136 Robinson Road, Singapore 1.  
Bank de L'Indochine, D'Almeida St., Singapore 1.  
Chartered Bank of India, Australia & China, Battery Road, Singapore 1.  
Chung Khiaw Bank Ltd., 59-61 Robinson Road, Singapore 1.  
Eastern Bank Ltd., 18 Cecil Street, Singapore 1.  
Hong Kong & Shanghai Banking Corp., Collyer Quay, Singapore 1.  
Indian Bank Ltd., 4 D'Almeida St., Singapore 1.  
Indian Overseas Bank Ltd., Collyer Quay, Singapore 1.  
Kwangtung Provincial Bank, 19-25 Cecil Street, Singapore 1.

Kwong Lee Banking Co., 76 South Bridge Road, Singapore 1.  
Lee Wah Bank Ltd., 18 South Canal Road, Singapore 1.  
Mercantile Bank of India Ltd., 21 Raffles Place, Singapore 1.  
National City Bank of New York, Union Building, Singapore 1.  
Nationale Handelsbank, N.V., Cecil Street, Singapore 1.  
Netherlands Trading Society, Cecil Street, Singapore 1.  
Overseas-Chinese Banking Corp., Chulia St., Singapore 1.  
Overseas Union Bank Ltd., Meyer Chambers, Raffles Place, Singapore 1.  
Sze Hai Tong Banking and Insurance Co. Ltd., Chulia St., Singapore 1.  
United Chinese Bank Ltd., 2 Chulia St., Singapore 1.  
United Commercial Bank Ltd., 3 Collyer Quay, Singapore 1.  
Bank of America, Finlayson House, Singapore 1.  
Industrial and Commercial Bank Ltd., Cecil Street, Singapore 1.



Most import business and a fair amount of export trade is financed by letters of credit. These may be irrevocable or revocable and with or without recourse on drawers. Banks charge a commission for opening irrevocable letters of credit and, depending on the credit-worthiness of their clients, may request a margin to be deposited.

Banks are sometimes prepared to make advances against letters of credit held by local merchants for exports—that is, grant packing credit facilities to enable their clients to purchase the goods to be exported. These advances are liquidated when the exporter presents to his banker the relative bills of exchange drawn in terms of the credit; because the bills are usually drawn in foreign currency, they are purchased by banks at the Association's rates. Buying rates for bills are based on the rate for telegraphic transfer and include, in the case of demand bills, an interest calculation for the period the draft is en route, with an additional interest factor for usance bills which, in sterling drafts, is usually based on rates obtaining in the London discount market. Allowance is also made for stamp duty.

#### Currency Commissioners' Board

There is no central bank in Malaya and the currency is managed by the Board of Commissioners of Currency. In actual fact, money is put into circulation by banks obtaining currency notes from the Commissioner in exchange for sterling and the currency is contracted by purchases of sterling from the Board. Every dollar issued by the Board is backed at least 100 per cent by sterling securities held in the United Kingdom.

Probably the most important function of banks in Malaya is the buying and selling of foreign currencies of which the most important is the United States dollar. Local banks which have been appointed authorized dealers are responsible to the Controller of Foreign Exchange for the acquisition by the sterling area of the proceeds of the sale of goods, mainly rubber and tin, to hard currency areas. Similarly, authorized dealers may sell hard currencies against approved licences.

It follows that in time of boom, such as after the start of the Korean War, a large percentage of the resources of local exchange banks is invested in the purchase of export bills. Such banks will be "overbought" and will be in a position to supply the needs of other banks, whatever currency is required. Accordingly, Singapore has an active "inter-bank" market in which business is done at rates quoted to merchants—depending, as one would expect, on the supply of and demand for the currency in request. During the boom period of late 1950, 1951 and early 1952 the resources of the Malayan banks proved adequate to finance the vastly enhanced value of exports. ●

## Credit Conditions in Asia and the Middle East

THE YEAR 1954 was filled with changes affecting credit conditions in Asia. Economic, financial, commercial and political developments were, in total effect, very favourable for countries in the Middle East, but those of the Far East experienced such an unsettled year that few made net gains. International credit can be measured most directly in terms of foreign purchasing power and while most Middle East countries improved their exchange reserves, the majority of the Far East lost exchange. Because of the vastly different circumstances in the two regions, a better picture can be gained by viewing them separately.

#### Instability in the Far East

Of all the countries in this Far Eastern area (not including either China or members of the Commonwealth) only the Philippines made undisturbed progress toward stronger credit conditions. International commodity markets were, however, generally more favourable with greater stability for most products of the Far East, especially rubber and tin. Rice, however, proved to be an unfortunate and important exception. The over-supply and lower prices in the rice market—which will likely persist—reduced export earnings for both Burma and Thailand.

Internal financial management as a reaction to faltering trade and dwindling foreign exchange holdings varied with the various countries. Thailand reacted by imposing exchange and import controls that seemed to be moderately effective. Indonesia introduced exchange and credit regulations. Japan moved towards curing inflation by cutting down on excessive imports. These Japanese restrictions have evidently been so effective that not only has the worrisome trade deficit improved sharply in recent months, but the dose of deflation seems to have dried up domestic credit to the point

#### Summary of Conditions

Country	Exchange Position	Business and Credit Conditions
<i>Far East</i>		
Burma .....	weaker, only fair	fair
Indonesia .....	difficult	difficult
Japan .....	improving, fair	fair
Philippines .....	stable, satisfactory	good
Taiwan .....	fair	fair
Thailand .....	weaker, fairly good	fairly good
<i>Middle East</i>		
Egypt .....	improving, fair	fair
Iran .....	difficult	fair
Iraq .....	good	good
Israel .....	difficult	fairly good
Jordan .....	difficult	fair
Lebanon .....	fairly good	good
Syria .....	fairly good	good
Saudi Arabia.....	good	good



where business activity has been dampened and insolvencies and collection delays increased.

The balance of trade remained satisfactory or improved markedly during 1954 for every country in the Middle East except Iran and Jordan. Oil output and royalties rose for the several important producers, strengthening their foreign exchange situation and their opportunities to invest in economic developments for the future. The crop economies also had a good, if less booming, year. Egypt, Israel and Iran made solid progress in settling outstanding difficulties and laying the ground for the future. The rise in Israel's exports gave concrete promise that economic viability might one day be attained; Egypt was successful in disposing of her cotton surpluses, so that greater stability and prosperity have already been achieved; Iran, by arranging for the restoration of the oil industry, has re-opened the door to prosperity and economic progress. Jordan alone neither improved her acute exchange shortage nor her future prospects.

In the Far East imports are generally financed by letter of credit but in the limited experience on draft collections, notable delays have been pretty well confined to Indonesia where the exchange shortage has caused a transfer problem. In the Middle East, the more extensive experience on draft collections has been satisfactory in most countries except Iran. There the difficult exchange situation has led to a fairly large backlog of unpaid collections.

The Canadian Export Credits Insurance Corporation reports no adverse experience for the year in the Far East. The Corporation has only a small volume of business insured in the area because of limited Canadian trade and the general use of letter of credit financing. In the Middle East, it has had more extensive experience but reports only a minor percentage of collection delays in Iran and Iraq.

## Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland, United States and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

## New Airmail Postal Service

The Post Office has established an airmail service from Canada to a number of countries abroad for articles other than letters, postcards and parcels. The classifications of mail eligible for this service are: "Printed Matter", "Commercial Papers", "Samples", "Newspapers" and "Literature for the Blind".

Airmail in these classes is to be forwarded to "Vancouver G.P.O." or "Montreal B & F." for onward transmission. The countries to which the service applies are:

Despatched from Montreal:

at 10 cents each ounce—Great Britain and Northern Ireland, Ireland.

at 15 cents each ounce—Belgium, Denmark, France, Finland, Germany, Greece, Italy, Netherlands, Norway, Sweden, Switzerland.

at 20 cents each ounce—Union of South Africa, Pakistan.

Despatched from Vancouver:

at 20 cents each ounce—Australia, New Zealand, Japan, Hong Kong.

The regulations governing the new service are:

- Packages must not contain anything in the nature of a current letter and must not be sealed against inspection.

- They must be clearly superscribed in the upper left-hand side of the cover for the particular service intended, namely, "Printed Matter", "Commercial Papers", "Samples", "Newspapers", or "Literature for the Blind".

- A blue airmail label, obtainable free of charge at any post office, must be affixed to each air mail item at the top left-hand corner on the address side.

- Surface mail measurements and weight limits apply in each of the categories.

Effective February 1, 1955, the international air parcel post service includes air parcels mailed from Canada to Greece. These air parcels must be forwarded to Montreal B. & F. in the same way as first class airmail for Greece. The postage rate is: \$1.50 for first eight ounces; 55 cents for each additional four ounces. The usual blue airmail label must be attached to the address side of the parcel. The general regulations of the surface parcel post service to Greece apply to air parcels. These parcels cannot be insured.



# India Sells More Manganese

*Depressed prices and reduced demand seem a thing of the past for this mineral, important to Canadian steel industry. Government encouragement and private endeavour are giving the industry stability; modern methods cut costs.*

W. P. BIRMINGHAM, Assistant Trade Commissioner, Bombay.

THE PROTRACTED SLUMP in the manganese industry, one of India's leading earners of foreign exchange and particularly of dollars, caused anxiety in trade and government circles throughout 1954. Manganese ore ranks first among the minerals exported from India and normally accounts for 45 per cent of annual earnings from mineral sales abroad. In fact, 85 per cent of the manganese produced, on an average, finds its way to foreign markets.

The discontinuing of stockpiling and the consequent reduction in steel output in the United States and Canada—two of the principal consumers—has accentuated the problem; so has price competition from rival sources of supply such as Russia, Brazil, Cuba, French Morocco, the Gold Coast, and South Africa. The Government of India's recent abolition of the 15 per cent export duty on manganese ore, a step long advocated by mine-owners and members of the trade, is designed to restore the competitive position of the Indian ore in world markets.

From a low of 210 thousand long tons in 1945, India's production of manganese ore increased to 1,284,000 long tons in 1951, largely because of greater demand from the United States for stockpiling. The leading producer in India is the Central Provinces Manganese Ore Company, whose output in 1951 accounted for almost 30 per cent of the national total.

India possesses sizable deposits of manganese ore in several states, but because diamond drilling exploration is comparatively new here, there is no reliable estimate of reserves.

Most of India's manganese ore is mined by open-cut methods, varying from shallow surface workings to deep quarries, and is graded according to content. The first grade contains over 48 per cent manganese, the second 45 to 48 per cent, and the third below 45 per cent. First-grade ores are used in the manufacture of steel and ferro-manganese, second-grade ores are shipped mainly to Europe, and the third-grade ores are used for the production of pig iron but do not figure largely in exports.

## Manganese Markets

Domestic consumption of manganese ore is currently estimated to be about 100 thousand long tons a year, negligible in comparison with exports in recent years of about one million long tons. Principal consumers are the Tata Iron and Steel Co. Ltd., Jamshedpur, and the Indian Iron and Steel Co. Ltd., near Calcutta. With the contemplated expansion in the steel industry here, however, domestic needs are expected to increase substantially.

Until early last year, the value of manganese exports had moved steadily upward from Rs.80.1 million in

## \*Exports of Indian Manganese Ore to Main Markets

(volume in thousands of long tons, value in thousands of rupees)

	**1949-50		1950-51		1951-52		1952-53		1953-54	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
United States .....	520	41,008	535	51,877	577	85,663	944	143,173	1,043	164,824
United Kingdom .....	135	10,211	108	10,763	115	15,643	151	24,366	153	26,338
Japan .....	14	1,107	78	8,526	130	17,706	47	6,850	120	14,274
Western Germany .....	23	2,174	46	4,648	145	15,885	147	19,617	79	11,982
France .....	7	538	8	793	44	5,912	48	7,038	59	7,984
Italy .....	9	696	8	1,030	48	7,161	23	4,235	22	4,150
Canada .....	7	534	9	984	13	1,586	5	867	9	1,696
Sweden .....	3	590	2	167	14	2,090	13	2,476	7	1,407
Other countries .....	21	1,624	16	1,718	39	5,288	62	8,959	76	9,818
Total .....	739	58,482	810	80,506	1,125	156,934	1,440	217,581	1,568	242,473

\* Figures obtained from accounts relating to the Foreign (Sea, Air and Land) Trade and Navigation of India, prepared by the Department of Commercial Intelligence and Statistics, Calcutta.

\*\* Statistical year April 1 to March 31.



1950-51 to Rs.242.5 million in 1953-54. The boom, stimulated by the outbreak of hostilities in Korea, then gave way to a steep decline, which was reflected in a price drop for high-grade ore from Rs.145 per long ton f.o.b. Indian ports in January 1954 to Rs.70 per long ton six months later. In recent weeks, however, this down-trend appears to have been reversed, with f.o.b. prices for this quality reaching Rs.130 per long ton in early December.

The trend in exports to the important consuming countries over the past five years is illustrated in the table on page 23.

### **Transportation and Handling Difficulties**

The volume of exports in 1953-54 would undoubtedly have been higher but for a serious transportation bottleneck, caused by an inadequate supply of railway cars and handling facilities at the ports of Calcutta and Madras. To ease the pressure of shipments, the Government in the last quarter of 1953 introduced a quota system whereby established shippers were allowed to ship 25 per cent of their best year's exports and mine-owners were allowed up to 20 per cent of their best year's production. Other firms with sales contracts overseas were given ad hoc consideration.

Following the slump in world demand for Indian manganese, the industry suffered a serious recession at the turn of the year and almost one-third of the two hundred mines in the State of Madhya Pradesh alone were forced to close. The resulting unemployment has intensified the need for remedial action.

### **Remedial Measures**

As a first step and at the urging of the industry, the Government has abolished the export duty on manganese ore and has encouraged domestic processing and refining of ores to be exported in order to reduce transportation charges. The Indian Bureau of Mines, in collaboration with the National Metallurgical Laboratories at Jamshedpur, has carried on research work in methods of using low-grade ore. The Central Mining Advisory Board has recommended the establishment of beneficiation plants and mechanical beneficiation has been introduced by some mine-owners in Madhya Pradesh. Because only the larger companies can afford capital expenditures on installation of the required heavy-media separation equipment, it has been suggested that smaller mine-owners set up a co-operative joint plant. At Keonjhar in Orissa, ores are being improved by concentration.

The Ministry of Commerce and Industry has approved the construction in the State of Orissa of a ferro-manganese plant, with an annual capacity of 10,000 to 12,000 long tons of 78/82 per cent grade. Production is scheduled to commence in 1956. Output of the two existing units—the Tata Iron and Steel Co.

Ltd., and the Indian Iron and Steel Co. Ltd.—is in the neighbourhood of 15,000 long tons. The lack of electric furnace capacity and the generally high phosphoric content of the Indian ore are deterrents to such manufacture. Other limiting factors are the cost of electric power and the distance from foreign markets which might buy the surplus.

A moderate revival of American and European interest in high-grade Indian ore is currently evident, perhaps because of depletion of inventories and prospective expansion in steel output. As a result of the improvement in demand, the f.o.b. quotation for first-quality ore had, by December 1954, risen to Rs.130 per long ton.

Indian producers feel that further measures, including lower transportation rates, an increase in freight car allocations, and active development of export markets are urgently required to ensure the stability of the industry. The projected large-scale expansion should mean greater domestic consumption of the ore. This, coupled with a predicted upward trend in U.S. consumption, gives reason for optimism over the future, provided that quality and competitive prices can be maintained.

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### **U.S. Radio and Television Industry**

*The past year was one of high production and sales for the United States radio and television industry, according to the Radio-Electronics-Television Manufacturers Association, despite early fears that it would fall far short of 1953 because of the advent of colour television and curtailment in the national defence program. Retail sales of black and white television sets surprised most manufacturers and distributors and dealers. The record sales of black and white receivers proved that consumers are not easily frightened by the arrival of a new product. Retail sales in 1954 of television receivers set a record at an estimated more than seven million units as compared with 6,370,500 in 1953. About 25 thousand colour receivers were made in 1954, and production of these sets is not expected to exceed a few hundred thousand in 1955. The dollar volume of factory sales of the industry in 1954 was estimated at \$5 billion, slightly under the 1953 total. Sales were broken down into the following categories: radio and TV sets, \$1,225 million; phonographs, record players, etc., \$175 million; replacement parts and tubes, \$550 million; broadcast, communication, and industrial equipment, etc., \$550 million, military business, \$2,500 million.*

*Prospects for the industry are believed to be excellent. Although 32 million television sets are now in use in the U.S., there are still 15 million homes without them.*

# West Germany Revises Export Incentives

*Put in their proper perspective, recent changes in the West German export promotion law do not mean an increase in incentives for German exporters, as a superficial examination might suggest.*

I. V. MACDONALD, *Assistant Commercial Secretary, Bonn.*

WEST GERMANY has revised its system of financial incentives to exporters\* and the result appears to be a lessening of the official subsidization of exports which has drawn so much attention in recent years. The changes in the Export Promotion Law, which became effective on January 1, 1955, involve a small increase in the tax-free percentage of export profits and at the same time abolish the "ten year tax-free reserve". This reserve allowed German traders to distribute over ten years the payment of a proportion of their income tax based on the gross value of their export sales. The abolition of this latter provision has significance when it is viewed in the light of current rates of interest in the Federal Republic.

The increase of 10 per cent in the proportion of net profits which may be deducted for income tax purposes affects the various types of exported goods and services as follows:

Type of goods or services	Deduction from taxable <sup>a</sup> income permitted, in %	
	Now	Previous
1. Export deliveries made by the export trader of goods which are classified in the reimbursement list as III or IV (includes most manufactured goods) .....	1.375	1.25
2. Direct exports by the manufacturer. Deliveries made by the manufacturer to the export trader. Deliveries made by the manufacturer in a free port. Deliveries of domestic fishery enterprises abroad of goods classified in the reimbursement list: (a) with III (unfinished goods) .....	3.3	3.0
(b) with IV (final products)....	3.85	3.5
3. Transportation services of merchant ships and inland ships .....	3.3	3.0

Income tax allowances on transit trade earnings remain unchanged at 6 per cent and 10 per cent for interrupted and uninterrupted transactions respectively. Estimates place the cost to the Government of these concessions (in loss of tax revenue) at about DM20 million for the present year. However, this will almost certainly be outweighed by the increase in government revenue resulting from the discontinuation of the tax postpone-

ment section of the export promotion law. This law permitted firms engaged in export trade to deduct from taxable income up to 3½ per cent of the gross value of their export sales, following which repayment was to be made to the Finance Ministry at the rate of 10 per cent of the reserve fund each year for ten years.

In effect, this measure granted exporters interest-free loans—a vital source of assistance to the majority of German exporters, to whom shortage of working capital has, in recent years, been one of the chief obstacles to rapid expansion. Tax receipts from exporters during 1955 will probably total about DM165 million more as a result of this measure. The *net* increase in the total of taxes to be paid on export earnings can only be calculated by assessing the value of the cancelled income tax postponement in terms of the interest rates prevailing in West Germany. On this basis the rise in the exporters' tax burden could be placed at roughly DM50 million. This figure represents the compound interest charges on the tax-free reserves which would have been established during 1955 under the old law. Thus it can easily be claimed that the measures which took effect on the first of this year will result in a decrease in export subsidies of about DM20-30 million, depending, of course, on the extent and profitability of the West German export trade during 1955.

## Credits Provisions Altered

Changes have taken place also in the sphere of medium and long-term export credits to German exporters. The re-discount margin opened by the Bank Deutscher Laender and the Kreditanstalt fuer Wiederaufbau may be supplemented by DM100 million (at an estimated 5½ per cent) during early 1955 through the proposed employment of social insurance reserves for this purpose. The exporter's self-financing quota has been raised recently from 20 to 40 per cent of the invoice value. This will lessen the importance of the credit assistance in individual cases but will enable a broader coverage by the Ausfuhr-Kredit A.G., whose facilities have been near exhaustion in recent months. In the meantime the additional B-line credits have been entirely taken up, according to the B.D.L. The "A"

\* For details of the extent and the operation of West German export promotion measures see "Financial Incentives for German Exporters" in *Foreign Trade* of June 12, 1954.



credit line is granted by the AKA for one to four years in agreement with the exporter's bank. The rate of interest at present is 6.75 per cent and the maximum amount available is DM270 million. Added to the "B" credits (offered at 4.5 per cent) the total reaches DM870 million or something over \$200 million. The distribution of these "A" and "B" line credits by countries and industries of January 1, 1954, is shown in the following tables:

*Export-Credits Granted or Promised by  
AKA as of January 1, 1954*

	"A" Credits DM	"B" Credits DM	Total DM
EPU countries .....	*A 23,398,100	172,632,600	196,030,700
	*B 17,734,000	2,346,000	20,080,000
Sterling area .....	A 27,688,300	61,131,287	88,819,587
	B 4,571,000	50,000,000	54,571,000
Offset account countries	A 60,736,000	162,334,339	223,070,339
	B 73,360,000	53,147,600	126,507,600
Dollar countries .....	A 11,905,300	49,566,768	61,472,068
	B 9,603,230	15,444,000	25,047,230
Various countries collec- tive credits .....	A .....	3,132,600	3,132,600
Total .....	A123,727,700	448,797,594	572,525,294
Total .....	B105,268,230	120,937,600	226,205,830
Grand total, A plus B .....	228,995,930	569,735,194	798,731,124

	"A" Credits DM	"B" Credits DM	Total DM
Argentina .....	A 58,308,000	52,360,969	
	B 23,600,000	8,000,000	142,268,969
Brazil .....	A .....	35,862,500	
	B .....	7,562,000	43,424,500
Chile .....	A 3,200	17,149,100	
	B 1,525,000	7,794,600	26,471,900
Finland .....	A 2,800	5,899,470	
	B .....	22,180,000	28,082,270
Greece .....	A 50,900	10,298,550	
	B 8,080,000	700,000	19,129,450
India .....	A 4,304,800	14,331,700	
	B 4,200,000	50,000,000	72,836,500
Italy .....	A 145,000	18,889,780	
	B .....	19,034,780	
Mexico .....	A 7,006,100	1,682,300	
	B 1,222,000	14,700,000	24,610,400
Netherlands .....	A 1,961,000	18,401,000	
	B .....	20,362,000	
Spain .....	A 22,200	21,568,500	
	B 32,860,000	7,191,000	61,641,700
South Africa .....	A 20,849,900	2,608,400	23,458,300
Turkey .....	A 14,214,000	23,003,200	37,217,200
United States .....	A 4,255,100	18,029,168	22,284,268

\*NOTE: A=Credits granted.  
B=Credits promised, not yet used.

#### Credits according to industrial branches:

	"A" Credits DM	"B" Credits DM	Total DM
Construction .....		4,043,750	4,043,750
Chemicals .....	1,200,000	60,880,000	62,080,000
Printing and paper .....		1,929,200	1,929,200
Iron, sheet and metal goods .....		5,766,000	5,766,000
Iron and steel .....		16,170,600	16,170,600
Electrical equipment ...	3,689,000	127,433,500	131,122,500
Vehicles .....	88,095,000	63,798,369	151,893,369
Optical and precision industry .....	1,350,000	14,397,000	15,747,000
Food processing and stimulants .....	480,000	7,113,000	7,593,000
Glass and ceramics .....		500,000	500,000

Wood .....		600,000	600,000
Leather production .....		356,000	356,000
Machinery .....	22,689,700	126,582,375	149,272,075
Non-ferrous metals .....		1,000,000	1,000,000
Shipbuilding .....	6,200,000	14,785,000	20,985,000
Steel construction .....	24,000	200,800	224,800
Stones and earths .....		2,270,000	2,270,000
Textiles .....		972,000	972,000
Total .....		123,727,700	448,797,594
			572,525,294

In addition to the tax concessions and export credit facilities mentioned above, a number of auxiliary aids are available to the West German exporter. These include export insurance granted by the Hermes Credit Insurance A.G., a government-founded company, exemption of export sales from insurance and turnover taxes, and limited special import privileges.

#### South African Market for Toys

Toys have come off South Africa's restricted list and in the next few months imports should rise. Previously, South African wholesalers and retailers could import only limited quantities, but on January 1st toys were put on the general consumer goods quota program. South African licensing policy does not discriminate against dollar suppliers.

The domestic industry has grown up under the protection of import controls, although the range of toys and games manufactured is still relatively limited. Moreover, the gap between production and demand is large and can only be filled by buying abroad. Right now, dolls and metal mechanical toys are the popular categories but many types of novelties find a good market.

Even under the rigid licensing system in force during the last few years, imports of toys have run at about \$1 million a year. Of the 34 countries selling to South Africa, the United Kingdom has held the major share of the market with Southern Rhodesia coming second. The United States, Japan and Germany have steadily increased their sales, mainly at the expense of Southern Rhodesia. Canadian sales of dolls and toys to South Africa, which amounted to some \$715 thousand in 1948, the last year, before import control, dropped to \$492 in ten months of 1954.

South Africa is prosperous and should offer a steadily expanding market for toys, but competition is keen and prices must be right. Canadian manufacturers would be well advised to investigate the market now and appoint agents so that they will be ready to promote their products quickly when import control is finally removed. The Trade Commissioners in Johannesburg and Cape Town will gladly assist any Canadian toy manufacturer who is interested.

# trade and tariff regulations

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## Belgium

**IMPORT REGULATIONS RELAXED**—Effective January 12th, certain additional imports into Belgium and Luxembourg no longer require import licences. They are now admitted on the basis of "declarations in lieu of licences" issued by private banks. This measure, which applies to imports from all countries, constitutes a further relaxation of Belgium's relatively few remaining import restrictions.

Some of the items which are now admitted without a licence are also included in a list of dollar imports entering freely into the Benelux countries (Belgium, the Netherlands and Luxembourg) since June 1954. Belgian licences for such imports have been granted freely. Frozen horsemeat, clover and grass seeds, cosmetics, shovels and similar hand tools and spectacle frames are in this category and appear to be of interest to Canada.

The following goods, however, are not included in the Benelux list of liberalized dollar imports; their present freeing from import licences places their importation into Belgium and Luxembourg on a more secure basis: unworked artificial plastic materials; manufactures of plastic materials derived from cellulose; and manufactures of artificial plastic materials with a basis of casein, gelatine or starch—Brussels, Jan. 17.

## Jamaica

**LICENSING ANNOUNCEMENT**—The Competent Authority, Jamaica, announced on January 20th that wood products (shingles, laths, box shooks, staves, headings and barrel shooks, softwood and hardwood plywood, mouldings and trimmings of wood) have been added to the schedule of the World Open General Licence. This means that individual licences are no longer required to import these items.

The conditions on which World Open General Licence is granted are that the goods shall be wholly produced in the countries from which they are exported, that the importer shall be required to produce a Certificate of Origin for such imports, and that prior approval of the Exchange Control Authority shall be secured for any payment for imports under the licence required to be made to a country other than the country of origin of the goods.

## Libya

**IMPORTS FROM DOLLAR COUNTRIES**—Libya will admit from the dollar area those goods which the country needs and which are priced lower than similar products of non-dollar countries, the Libyan Minister of Finance announced recently. The authorities of the Provinces (Cyrenaica, Tripolitania and Fezzan) are competent to grant licences for such dollar imports. Goods imported into Libya against payment in dollars may not be re-exported.

Requests to buy the following goods from the dollar area will be given favourable consideration: agricultural and industrial equipment; construction equipment; seeds; essential foodstuffs; medicines and drugs; essential household appliances including refrigerators and sewing machines; commercial vehicles; spare parts for automobiles; spare parts for other machines; used clothing; books, magazines and periodicals—Rome, Jan. 12.

## Spanish Morocco

**IMPORTS OF ANTIBIOTICS**—The regulations controlling the import, sale and price of antibiotics in the Spanish Zone of Morocco, Ceuta and Melilla, which have been in force since October 1952, are now to be modified and, subject to the availability of the necessary foreign exchange and to internal demand, import licences for these drugs will be granted to any established trader applying for them. At the same time, the authorities are to fix a maximum selling price (to be announced later) for all antibiotics irrespective of origin. In no case will the selling price show an increase of more than 65 per cent over the original price c.i.f. a zonal port. It is from this 65 per cent that all costs—e.g., transport, warehousing, customs dues, importers', distributors' and retailers' profits, etc.—will be met. The new measures will take effect from March 1, 1955—Madrid, Jan. 21.

## United Kingdom

**IMPORT QUOTA FOR DOLLAR HARDWOOD**—The Board of Trade announced on January 12th that, as soon as the necessary administrative arrangements could be made, a quota at an annual rate of £3



million f.o.b. would be established for the import for general purposes of hardwood from dollar countries. This new quota will be additional to the dollar hardwood imported for priority projects for which licences are granted under existing arrangements.

The quota will be allocated in two half-yearly instalments. Individual allocations will be made to hardwood-using firms and hardwood importers, based respectively on usage and imports in a specified period. The date has not yet been fixed for the issue of licences against the new quota.

The term "hardwood" is understood to cover hardwood lumber, rough and dressed, hardwood flooring, and hardwood staves and headings.

### United States

**QUOTA ON GROUND FISH FILLETS**—The United States Bureau of Customs has announced that for 1955 the import quantity of fresh or frozen fillets of

cod, haddock, hake, pollock, cusk, and rosefish to be granted the reduced rate of  $1\frac{7}{8}$  cents a pound under Tariff Paragraph 717(b) has been set at 35,432,624 pounds. This is an increase of 1,482,238 pounds over the 1954 low-rate quota.

Tariff Paragraph 717(b) provides that the aggregate quantity entitled to the  $1\frac{7}{8}$  cents a pound reduced rate shall be not more than 15 per cent of the average annual consumption of such fish during the three preceding calendar years. All imports above the quota are subject to the higher rate of  $2\frac{1}{2}$  cents a pound.

Of the total quantity of fish (35,432,624 pounds) entitled to entry at the rate of  $1\frac{7}{8}$  cents a pound during the calendar year 1955, not more than one-fourth shall be so entitled during the first three months, not more than one-half during the first six months, and not more than three-fourths during the first nine months of the year.



## trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

J. C. Britton, Commercial Counsellor in Tokyo, Japan, began his Canadian tour in Vancouver on November 26th. His itinerary is:

Montreal—Feb. 21-March 4  
Quebec City—March 7  
Arvida—March 8  
St. John's (Nfld.)—March 10-11  
Saint John: Halifax—March 14-15

Businessmen in the various centres may get in touch with Mr. Britton through the following organizations:

*Board of Trade*—Halifax, Montreal, Saint John.

*Chamber of Commerce*—Arvida, Quebec.

*Department of Trade and Commerce*—St. John's (Stott Bldg.).

# foreign trade service abroad

\* No Foreign Trade Officer at this post.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
<b>Argentina</b>	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
<b>Australia</b> (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada  C. M. Forsyth-Smith, Commercial Secretary	City Mutual Life Building, 60 Hunter Street, SYDNEY	<i>Mail:</i> P.O. Box 3952 G.P.O. <i>Cable:</i> CANADIAN <i>Tel.:</i> BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania) New Zealand	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, MELBOURNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> MU 4716
<b>Belgian Congo</b> Angola, French Equatorial Africa	A. B. Brodie, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	<i>Mail:</i> Boîte Postale 373 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2706
<b>Belgium</b> Luxembourg	T. J. Monty, Commercial Counsellor  K. G. Ramsay, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 11-33-88
<b>Brazil</b>	C. J. Van Tighem, Commercial Secretary  H. M. Maddick, Assistant Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, RIO DE JANEIRO	<i>Mail:</i> Caixa Postal 2164 <i>Cable:</i> CANADIAN <i>Tel.:</i> 42-4140
Brazil	M. P. Carson, Consul and Trade Commissioner  G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	<i>Mail:</i> Caixa Postal 6034 <i>Cable:</i> CANADIAN <i>Tel.:</i> 36-6301
<b>*Ceylon</b>	Office of the High Commissioner for Canada	6 Gregory's Road, Cinnamon Garden, COLOMBO	<i>Mail:</i> P.O. Box 1006 <i>Cable:</i> DOMCANADA <i>Tel.:</i> 91341
<b>Chile</b>	R. E. Gravel, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	<i>Mail:</i> Casilla 771 <i>Cable:</i> CANADIAN <i>Tel.:</i> 64189
<b>Colombia</b> Ecuador	Commercial Secretary  J. P. Lancaster, Assistant Commercial Secretary  A. P. Savard, Assistant Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25, Office 613, BOGOTA	<i>Mail:</i> Apartado 1618 <i>Airmail:</i> Apartado Aereo 3562 <i>Cable:</i> CANADIAN <i>Tel.:</i> 12-251
<b>Cuba</b>	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, HAVANA	<i>Mail:</i> Apartado 1945 <i>Cable:</i> CANADIAN <i>Tel.:</i> UO-9457
<b>Denmark</b> Greenland	C. F. Wilson, Commercial Counsellor	Canadian Legation 4 Trondhjems Plads, COPENHAGEN	<i>Mail:</i> (City Address) <i>Cable:</i> <i>Tel.:</i> Tria 1602



**Territory****Officer****City Address****Mail and Cables,  
Office Telephone**

<b>Dominican Republic</b> Haiti, Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	<i>Mail:</i> Apartado 451 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5318
<b>Egypt</b> Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	<i>Mail:</i> Kasr el Doubara Post Office <i>Cable:</i> CANADIAN <i>Tel.:</i> 23110
<b>France</b> Algeria, French Morocco, French West Africa, Tunisia	B. C. Butler, Commercial Counsellor for Canada  R. Campbell Smith, Commercial Secretary	3 rue Scribe, PARIS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> OPERA 42-30
<b>Germany</b> Federal Republic	B. A. Macdonald, Commercial Counsellor  I. V. Macdonald, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Bonn 21971
<b>Greece</b> Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 74044
<b>Guatemala</b> Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner  J. R. Midwinter Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	<i>Mail:</i> P.O. Box 444 <i>Airmail:</i> P.O. Box 400 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5590
<b>Hong Kong</b> China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner  M. B. Blackwood, Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	<i>Mail:</i> P.O. Box 126 <i>Cable:</i> CANADIAN <i>Tel.:</i> 28336
<b>India</b>	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada 4 Aurangzeb Road, NEW DELHI	<i>Mail:</i> P.O. Box 11 <i>Cable:</i> CANADIAN <i>Tel.:</i> 40191
<b>India</b>	D. M. Holton, Canadian Government Trade Commissioner  W. P. Birmingham, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	<i>Mail:</i> P.O. Box 886 <i>Cable:</i> CANADIAN <i>Tel.:</i> 20672
<b>Indonesia</b>	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Gambir 499
<b>Ireland</b>	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 44251
<b>Italy</b> Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor  M. S. Strong, Commercial Secretary (Fisheries)  W. R. Van, Assistant Commercial Secretary	Canadian Embassy, Via Saverio Mercadante 15, ROME	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 846-842

<b>Territory</b>	<b>Officer</b>	<b>City Address</b>	<b>Mail and Cables, Office Telephone</b>
<b>Jamaica</b> Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner  R. R. Parlour, Assistant Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	<i>Mail:</i> P.O. Box 225 <i>Cable:</i> CANADIAN <i>Tel.:</i> 2858
<b>Japan</b> Korea	J. C. Britton, Commercial Counsellor  R. F. Renwick, Assistant Commercial Secretary	Canadian Embassy, Tokyo	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 48-4116
Japan	Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	<i>Mail:</i> P.O. Box 513 <i>Cable:</i> CANADIAN <i>Tel.:</i> 48966
<b>Lebanon</b> Iraq, Jordan, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	<i>Mail:</i> Boîte Postale 2300 <i>Cable:</i> CANADIAN <i>Tel.:</i> 30794
<b>Mexico</b>	M. T. Stewart, Commercial Counsellor  C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	<i>Mail:</i> Apartado 126-Bis <i>Cable:</i> CANADIAN <i>Tel.:</i> 36-27-90
<b>Netherlands</b>	V. L. Chapin, Commercial Secretary T. F. Harris, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 18-51-06
Netherlands Belgium, Luxembourg	C. J. Small, Acting Agricultural Secretary		
<b>New Zealand</b> Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	<i>Mail:</i> P.O. Box 1660 <i>Cable:</i> CANADIAN <i>Tel.:</i> 70-644
<b>Norway</b> Iceland	J. L. Mutter, Commercial Counsellor	Canadian Legation, Fridtjof Nansens Plass 5, OSLO	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 33-30-80
<b>Pakistan</b> Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd., KARACHI	<i>Mail:</i> P.O. Box 3703 <i>Cable:</i> CANADIAN <i>Tel.:</i> 5826
<b>Peru</b> Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	<i>Mail:</i> Casilla 1212 <i>Cable:</i> CANADIAN <i>Tel.:</i> 71150
<b>Philippines</b>	F. H. Palmer, Consul General and Trade Commissioner  H. E. Lemieux, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General Ayala Building, Juan Luna Street, MANILA	<i>Mail:</i> P.O. Box 1825 <i>Cable:</i> CANADIAN <i>Tel.:</i> 3-33-35
<b>Portugal</b> Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48-1°D., LISBON	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 53117
<b>Singapore</b> Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room F-3, Union Building, SINGAPORE	<i>Mail:</i> P.O. Box 845 <i>Cable:</i> CANADIAN <i>Tel.:</i> 7739



<b>Territory</b>	<b>Officer</b>	<b>City Address</b>	<b>Mail and Cables, Office Telephone</b>
<b>South Africa</b> (Natal, Transvaal) Federation of Rhodesia and Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	K. F. Noble, Canadian Government Trade Commissioner  H. E. Campbell, Assistant Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	<i>Mail:</i> P.O. Box 715 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	<i>Mail:</i> P.O. Box 683 <i>Cable:</i> CANTRACOM <i>Tel.:</i> 2-5134/5
<b>Spain</b> Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	B. I. Rankin, Commercial Secretary	Canadian Embassy, Edificio España, Avenida de Jose Antonio 88, MADRID	<i>Mail:</i> Apartado 117 <i>Cable:</i> CANADIAN <i>Tel.:</i> 22-28-10
<b>Sweden</b> Finland	F. W. Fraser, Commercial Counsellor  L. A. Campeau, Commercial Secretary	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	<i>Mail:</i> P.O. Box 14042 <i>Cable:</i> CANADIAN <i>Tel.:</i> 67-92-15
<b>Switzerland</b> Austria, Czechoslovakia, Hungary	W. Van Vliet, Commercial Secretary  W. R. Hickman, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> 4-63-81
<b>Trinidad</b> Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	P. V. McLane, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	<i>Mail:</i> P.O. Box 125 <i>Cable:</i> CANADIAN <i>Tel.:</i> 34787
<b>United Kingdom</b> (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor  G. H. Rochester, Commercial Secretary (Timber)  D. A. B. Marshall, Commercial Secretary (Agricultural)  T. M. Burns, Assistant Commercial Secretary  W. G. Pybus, Assistant Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	<i>Mail:</i> (City Address) <i>Cable:</i> SLEIGHING <i>Tel.:</i> Whitehall 8701  <i>Cable:</i> TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	<i>Mail:</i> (City Address) <i>Tel.:</i> 21867
<b>United States</b> Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor  Dr. W. C. Hopper, Agricultural Counsellor  E. H. Maguire, Commercial Secretary	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> DEcatur 2-1011

<b>Territory</b>	<b>Officer</b>	<b>City Address</b>	<b>Mail and Cables, Office Telephone</b>
United States	H. A. Gilbert, Commercial Secretary		
	W. L. Porteous, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Consul and Senior Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	<i>Mail:</i> (City Address) <i>Cable:</i> CANTRACOM <i>Tel.:</i> JUDson 6-2400
	C. R. Gallow, Consul and Trade Commissioner		
	C. E. Butterworth, Vice Consul and Assistant Trade Commissioner		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Vice Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> HANcock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	R. V. N. Gordon, Vice Consul and Trade Commissioner	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> STate 2-7312
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT 26	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> WOODward 5-2811
	J. H. Bailey, Vice Consul and Assistant Trade Commissioner		
*United States (City of Los Angeles, Southern California, Arizona)	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> VANDike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul and Trade Commissioner	Canadian Consulate, 215-217 International Trade Mart, NEW ORLEANS 12	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> RAYmond 2136
	A. A. Caron, Vice Consul and Assistant Trade Commissioner		
*United States (Northern California, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> SUTter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	<i>Mail:</i> (City Address) <i>Cable:</i> CANADIAN <i>Tel.:</i> MUTual 3515
Uruguay Paraguay Falkland Islands	W. Gibson-Smith, Commercial Secretary	Canadian Embassy, Caja Nacional de Ahorro Postal Calle Colonia 1013, 7° Piso, MONTEVIDEO	<i>Mail:</i> Casilla Postal 852 <i>Cable:</i> CANADIAN <i>Tel.:</i> 96096
Venezuela Netherlands Antilles	H. L. Brown, Commercial Counsellor	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	<i>Mail:</i> Apartado 3306 <i>Cable:</i> CANADIAN <i>Tel.:</i> 55818
	F. B. Clark, Asst. Commercial Secretary		
Venezuela Colombia	D. B. Laughton, Acting Agricultural Secretary		



The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1.03059.

# foreign exchange rates

Country	Unit	Type of Exchange	Canadian dollar equiv. Feb. 4	Notes (See below)
Argentina .....	Peso .....	Preferential buying .....	.1294	
		Basic buying .....	.1941	
		Preferential selling .....	.1941	(1)
		Basic selling .....	.1294	
		Free .....	.06985	
Austria .....	Schilling ...	.....	.03732	
Australia .....	Pound .....	.....	2.1610	
Belgium Luxem- bourg & Belgian Dependencies ...	Franc .....	.....	.01936	
Bolivia .....	Boliviano ...	Official .....	.00511	
British West Indies	Dollar .....	.....	.5628	(3)
	Pound .....	.....	2.7012	(4)
	Dollar .....	Brit. Honduras .....	.6753	
Brazil .....	Cruzeiro ...	Effective selling:		
		Category I .....	.01674*	tax 10%
		Category V .....	.00475*	*Jan. 4
		Official buying .....	.05285	(5)
Burma .....	Kyat .....	.....	.2038	
Ceylon .....	Rupee .....	.....	.2026	
Chile .....	Peso .....	Official .....	.00485	(1)
Colombia .....	Peso .....	Basic .....	.3881	
Costa Rica .....	Colon .....	Official .....	.1728	(6)
		Controlled free .....	.1461	
Cuba .....	Peso .....	.....	.9703	tax 2%
Czechoslovakia ...	Koruna .....	.....	.1348	
Denmark .....	Krone .....	.....	.1405	
Dominican Republic .....	Peso .....	.....	.9703	
Ecuador .....	Sucre .....	Official .....	.06469	
		Free .....	.05599	
Egypt .....	Pound .....	.....	2.7863	
Fiji .....	Pound .....	.....	2.4336	
Finland .....	Markka .....	.....	.00422	
France .....	Franc .....	.....	.00277	(7)
French Africa .....	Franc .....	.....	.00555	(8)
French Pacific .....	Franc .....	.....	.01526	(9)
Germany .....	D Mark .....	.....	.2311	
Greece .....	Drachma .....	.....	.03234	
Guatemala .....	Quetzal .....	.....	.9703	
Haiti .....	Gourde .....	.....	.1941	
Honduras .....	Lempira .....	.....	.4852	
Hong Kong .....	Dollar .....	Free .....	.1634	*Jan. 21
Iceland .....	Krona .....	Official .....	.05958	
		Special buying .....	.04588	
		Special selling .....	.03696	
India .....	Rupee .....	.....	.2026	
Indonesia .....	Rupiah .....	Basic .....	.08511	(10)
Iran .....	Rial .....	Certificate .....	.01165	
Iraq .....	Dinar .....	.....	2.7169	

\* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Feb. 4	Notes (See below)
Ireland	Pound		2.7012	
Israel	Pound		.5391	
Italy	Lira		.00156	
Japan	Yen		.00270	
Lebanon	Pound	Free	.2986	
Mexico	Peso		.07762	
Netherlands	Guilder		.2555	
Netherlands Antilles	Guilder		.5145	
New Zealand	Pound		2.7012	
Nicaragua	Cordoba	Effective buying	.1470	(11)
		Official selling	.1376	
		With Surcharge I	.1205	
		With Surcharge II	.09655	
Norway	Krone		.1358	
Pakistan	Rupee		.2933	
Panama	Balboa		.9703	
Paraguay	Guarani	Basic	.04621	(1)
		With Surcharge I	.03594	
		With Surcharge II	.02695	(12)
Peru	Sol	Certificate	.05107	
Philippines	Peso		.4852	tax 17% (2)
Portugal	Escudo		.03386	(13)
El Salvador	Colon		.3881	
Singapore & Malaya	Straits dollar		.3151	
South Africa (Union of)	Pound		2.7012	
Spain & Dependencies	Peseta	Basic buying	.04431	
		Basic selling	.08648	
		Basic commercial selling	.05907	(1)
		Free	.02491	
Sweden	Krona		.1876	
Switzerland	Franc		.2263	
Syria	Pound	Free	.2702	*Dec. 15
Thailand	Baht	Official	.07762	(1)
		Free	.04520	*Nov. 26
Turkey	Lira		.3465	
United Kingdom	Pound		2.7012	
United States	Dollar		.9703	
Uruguay	Peso	Official	.6388	
		Basic buying	.5451	
		Special buying	.4129	(1)
		Basic selling	.5106	
		Special selling	.3960	
Venezuela	Bolivar		.2896	(14)
Yugoslavia	Dinar		.00323	

\* Latest available quotation date.

## notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Currency certificates auctioned for five import categories. Effective selling rate is official plus price of certificates. In addition to official rate Brazilian exporters receive exchange premiums ranging from 13.14 to 31.70 cruzeiros per U.S. dollar depending on product.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33½ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are provisions for special rates for exports of petroleum, cocoa and coffee, not at present in effect for cocoa and coffee.





## transportation notes

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### Brazil

**RAILWAY LINK TO BOLIVIA**—On January 5th, the Presidents of Brazil and Bolivia met in Santa Cruz de la Sierra to open a new rail line linking Brazil and Bolivia. Eventually the line is expected to run from Santos, Brazil, to Arica, Chile. Only a small section between Santa Cruz and Misque, Bolivia, has yet to be completed. It is hoped that the line will provide an artery for Brazilian manufactured goods going to Bolivia, Peru and Chile, in return for raw materials—São Paulo, Jan. 24.

### France

**FREIGHT**—French rail, road and river traffic carried 14 per cent more ton-miles in 1953 than the transportation system moved in 1929. Trucking made substantial gains at the expense of the railroads, whose ton-mile figures dropped some 3 per cent during the twenty-five year period. Road traffic transported more than twice as much freight, moving it an average distance almost 50 per cent greater than in 1929. River and canal traffic gained about 10 per cent over the period, through longer hauls—Paris, Jan. 27.

### Greece

**NEW INTERNATIONAL BRIDGE**—The distance by road between Istanbul and Salonica and other points in Europe will be shortened by 60 miles when a new bridge over the Evros River on the Turkish-Greek border is completed in 1957. The contract for the new 2,622-foot, reinforced concrete structure—including a 25-foot wide roadway with a four-foot sidewalk on either side, and with a carrying capacity of 70,000 lb.—was let simultaneously in Ankara and Athens last August. The over-all cost is estimated at about \$1.6 million and will be shared by the two countries. Another agreement signed at the same time provides for extensive joint flood control measures in the Evros Valley to protect 53,000 hectares of farmland—Athens, Jan. 17.

**PORT FACILITIES**—The immediate construction of modern facilities at the Port of Piraeus, Greece's principal import port, has been announced by the Government. These include about 3,700 yards of new docks able to accommodate simultaneously six large vessels including two ocean liners, and ten

smaller coastal trade vessels, special piers for the unloading of timber and the development of a free zone. Piraeus ranks third among Mediterranean ports and during 1953, handled 3.5 million metric tons of merchandise. During the same period, 7,649 vessels (total net capacity 6.7 million tons) and 7,967 smaller craft arrived at the port—Athens, Jan. 17.

### Israel

**MERCHANT FLEET**—The Israeli merchant fleet now comprises 30 vessels totalling 161 thousand tons. The average age of these ships is 16 years, whereas in 1952 it was 20 years. In line with Israel's aim to build a modern merchant fleet, a number of the present fleet are slated for replacement and eventual disposal as scrap after 12 new vessels totalling 90,000 tons, currently under construction in West German shipyards, are received by Israel as war reparations during the next two years. These additions will include eight freighters, one tanker, one passenger liner and two mixed cargo-passenger ships. One of these freighters, the 7,000 ton *Dagon* was handed over at Hamburg in December to representatives of Israel's largest line, "Zim" Israel Navigation Co. Ltd., which will receive all 12 ships. Two of the new liners will have accommodation for 300 passengers each and will ply the Haifa-New York run; the third ship will be equipped to carry 550 passengers on the Mediterranean service—Athens, Jan. 17.

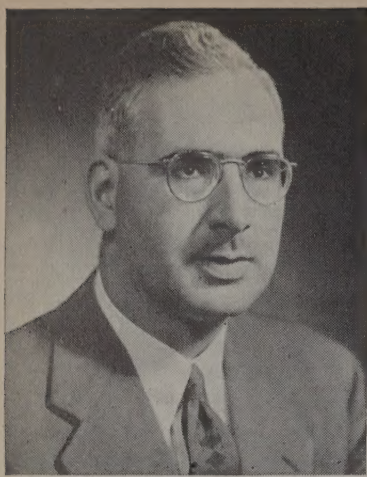
### Mozambique

**BEIRA PORT RECORD**—By November 1954, the port of Beira had already exceeded the total of cargo handled during the whole of 1953, which was itself a record. The total dealt with in the port during the first eleven months of last year was 2,663,713 tons, and the figure for the whole year is expected to come very close to three million tons. In spite of many hours of work lost through rain, November's total of 268,005 tons was the highest last year and the second highest on record.

Canadian exporters shipping through the Port of Beira should bear in mind that vessels are only allowed into the harbour through prior arrangements with the Beira Phasing Committee—Johannesburg, Jan. 26.







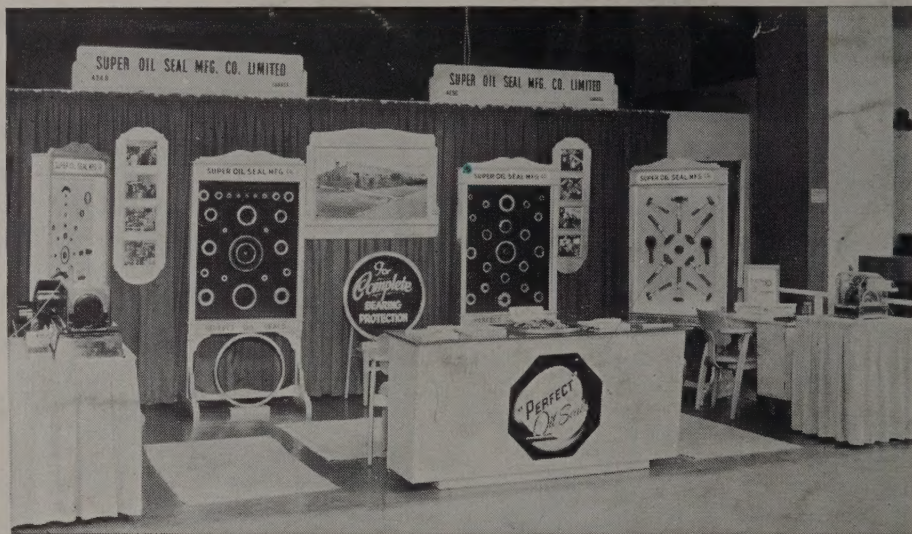
Above, R. M. Harper, General Manager of Super Oil Seal Mfg. Co., Limited, Hamilton. For three successive years this company has reported profitable contacts through its Canadian International Trade Fair exhibits.

## THE FACTS SPEAK

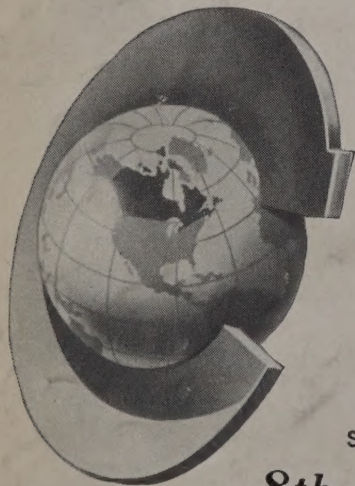
*"We can honestly say that we were amazed at the response"*

So writes R. M. Harper, General Manager of Super Oil Seal Mfg. Co., Limited, Hamilton. This firm first exhibited at the Canadian International Trade Fair in 1952 "with some misgivings . . ." as Mr. Harper's letter frankly admits.

The fact that this company has since exhibited in each succeeding Fair seems convincing evidence of its satisfaction with the results obtained. This is typical of the experience of exhibitors in many varied lines.



At right, an exhibit of Super Oil Seal Mfg. Co., Limited. Valuable contacts with both Canadian and foreign manufacturers were achieved.



In 1954 there were more than 1,431 exhibits of both capital and consumer goods, and business visitors came from 50 countries to look, to compare and to buy. It has been repeatedly proven that exhibits at the Canadian International Trade Fair get results.

Year after year, it has helped a growing number of Canadian firms to develop new business. You, too, should be able to make profitable contacts with these potential buyers and distributors from so many parts of the world at the 1955 Canadian International Trade Fair.

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